U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Budget Justification
Fiscal Year 2001
ANNEX II

Asia and the Near East

NOTICE

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Asia and the Near East Overview

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Asia and Near East Regional

Abbreviations and Acronyms

(text taken from the FY 2001 Budget Justification)

INTRODUCTION

Asia and the Middle East are strategically and economically important to the U.S. Over 50% of U.S. foreign trade and investment take place in the ANE region. ANE countries keep the world moving by supplying 50% of the oil to the U.S. and its Asian partners, and control crucial shipping lanes essential for international commerce. Instability in the region threatens U.S. national interests in stemming the proliferation of weapons of mass destruction, combating terrorism, and ensuring access for American business to commercial opportunities. USAID's development programs serve foreign policy objectives within Asia and the Middle East, particularly the promotion of international peace and prosperity, while simultaneously addressing the region's humanitarian needs.

U.S. NATIONAL INTERESTS

USAID programs in the ANE region further all three national security core objectives:

- Enhance American security - Economic assistance in the ANE region can promote regional and international stability by reducing competition for scarce resources that lead to military or civil conflict. Assistance helps bolster countries that neighbor rogue states (ensuring the latter's isolation) while also achieving critical development objectives such as improving access to, and the management and use of, their national and human resources. Through both bilateral and regional USAID activities, the U.S. works to mitigate potential conflicts in Asia and the Middle East.
- Bolster America's economic prosperity - Economic prosperity and growth aided by USAID programs increase demand for imports, thus broadening U.S. export opportunities. ANE countries represent the fastest growing regional market for U.S. merchandise exports, expanding 12% per year between 1987 and 1997. The East Asian financial crisis that began in 1997 created a downturn in demand for imports. U.S. exports to the region fell by more than $4 billion in 1997, putting roughly 50,000 American jobs at risk, and demonstrating the linkage between economic stability and growth in the ANE region to U.S. economic prosperity. USAID seeks to foster stability and peace throughout Asia and the Middle East, and guarantee international access to the region's oil reserves.
- Promote democratic governments and open societies - USAID programs that support the rule of law, good governance, free and fair elections, and civil society in the ANE region spread American values while helping create a more stable, secure, and cooperative global arena. Expanding democracy improves individual opportunity for prosperity. Transparent economic and government institutions and the rule of law encourage foreign investment and trade that benefit both local and American commercial interests.

DEVELOPMENT CHALLENGES

The ANE region faces significant challenges to development that impede progress towards U.S. national security core objectives. These challenges include:

- constraints to economic recovery and growth;
- weak democratic processes and institutions;
- threats to natural resources and the environment;
- socioeconomic inequities and disadvantaged populations; and
- population, health, and nutrition challenges.

Constraints to economic recovery and growth

Constraints to economic recovery and growth are manifest in different ways in ANE's subregions. In East Asia, the economies show signs of recovery two years after the financial crisis began: inflation has returned to pre-crisis levels and growth in gross domestic product in 1999 reached positive levels after declining sharply in 1997 and 1998. However, more needs to be done to improve financial and economic transparency and accountability before employment and real income can fully recover. In South Asia, economic liberalization swept the subcontinent in the early 1990s, but the pace of economic reform has slowed in recent years. South Asia houses almost 40% of the world's extreme poor, and lacks income-earning opportunities for much of its population. In the Middle East, protectionist economic policies including high tariffs and cumbersome regulations inhibit economic efficiency, foreign investment, access to credit and growth. Compared to all other regions, the Middle East scored lowest on the Trade Component of the Heritage Foundation's Index of Economic Freedom in 1999 (measures tariffs and non-tariff barriers). These barriers impede the area's economic growth and limit U.S. investment and exports to the region.

USAID response - The ANE Bureau will support programs that promote economic opportunities and growth across the region. In many countries, including Jordan, Morocco and West Bank/Gaza, the ANE Bureau has programs that improve access to financial services, help open markets, and help stimulate growth. Programs in Bangladesh, Cambodia and Lebanon focus on microfinance and small to medium-scale income-earning opportunities. In Indonesia, the Philippines, and Thailand, assistance to enhance financial and corporate governance will help protect against future threats to global economic security. Programs in Vietnam and several Middle East countries help open markets. The ANE Bureau has begun a new program in Sri Lanka that focuses on institutional reform, privatization, and industrial clusters that will increase the country's competitiveness in the global market place. The growth, prosperity, and employment opportunities that these programs foster will enhance the stability of these countries and their respective subregions. Economic growth should spur demand for U.S. exports and increase trade opportunities for American companies.

Weak democratic processes and institutions

Most of the countries in the ANE region have weak or nascent democratic institutions. Elections are often times not fair or held infrequently. Civil society is feeble and cannot hold governments accountable for human rights violations and respect for the rule of law. Improving transparency and accountability in government institutions, making governments more responsive to the needs of their citizens, and strengthening NGOs are crucial development tasks. Each subregion offers different opportunities for the U.S. to promote more democratic and open societies. In the Middle East, although countries such as Jordan and Morocco have shown some signs of improvement, more needs to be done to encourage respect for human rights and religious freedom, government transparency and accountability. Countries in this subregion are mainly considered "partly free" or "not free," according to a 1997 Freedom House survey. In East Asia, the U.S. must protect the newly democratic transitions in Indonesia and East Timor, and continue to help maintain the democratic transition in Cambodia. In South Asia, civil society groups must play a more robust role in their democratic societies.

USAID response - In Egypt, Mongolia and West Bank/Gaza, USAID programs strengthen the rule of law through judicial and legislative reform. Programs that encourage civil society and local governance are being undertaken in Bangladesh, Cambodia, Indonesia, the Philippines and West Bank/Gaza. USAID was instrumental in helping assure free and fair elections in Indonesia. The goal of all these USAID programs is to create and/or reinforce democratic institutions and promote American interests abroad.

Threats to natural resources and the environment

Large populations, industrialization, and economic growth have all put tremendous pressure on natural resources in the ANE region, threatening air quality, fresh water resources, forests, oceans, and plant and animal species. Thirteen of the fifteen most polluted cities in the world are in ANE, causing at least 1.5 million premature deaths every year. Another 500,000 Asians die each year from polluted water and poor sanitation. The UN projects that five of the world's megacities will be in South Asia by the year 2015 - making investment in cleaner energy and efficient industrial processes and technologies essential for successful development. Asian countries have had difficulty balancing industrial growth and natural resource management; for example, the region has lost 30% of its tropical forests over the past 30 years. Much of the Middle East and North Africa face an acute shortage of fresh water, which acts as an obstacle to development and to progress towards a comprehensive peace settlement.

USAID response - USAID environmental protection and natural resource management programs reflect specific country and regional needs. In India, Bangladesh, Nepal, and Sri Lanka, where rapid industrialization and economic growth have spawned pollution problems that threaten health and contribute to global warming, USAID is leading donors in the development of win/win approaches to reduce industrial pollution, mitigate the growth of greenhouse gases, and improve the economic efficiency of energy and industrial processes. These programs focus on the development of policies and incentives that encourage private sector investment in cleaner energy and industrial technologies. In the Middle East, USAID-supported programs work to resolve subregional water conflicts by merging best practices from consensus-based collaborative planning and local conflict management with technical expertise in water resources in Egypt, Jordan, Lebanon, and the West Bank/Gaza. USAID is helping improve the management of critical coastal and forest reserves, and promoting the transfer of U.S. environmental technology that mitigates land, water and air pollution in East Asian countries like Indonesia, the Philippines, Thailand and Vietnam. Foreign assistance in these areas leads to sustainable development, promotes stability, and protects Americans from transnational threats such as pollution and global warming.

Socioeconomic inequities and disadvantaged populations

Gender and socioeconomic disparities compound the challenges of grinding poverty in the ANE region. Poverty levels have remained relatively constant at about 40% in South Asia. These inequities keep disadvantaged populations from having a greater voice in their government's affairs, and are reinforced by lack of educational and economic opportunities. The inferior socioeconomic status of women in South Asia and the Middle East/North Africa contributes to a low value placed on female children and high female illiteracy rates. In India and Nepal, for example, adult male literacy is nearly 30% higher than that of adult women. When combined with intense economic pressures, these inequities contribute to high death rates among infant girls, trafficking in women and children, and child labor. The resulting poverty and gender gaps can feed disillusionment that provides fertile ground for political instability, terrorism and potentially war to take root.

USAID response - USAID supports literacy campaigns in Nepal and increased participation of girls in basic education in Egypt, India, and Morocco. These programs are the first steps in expanding women's participation in the economies and civil societies of the region. In Bangladesh, India, and Nepal, USAID has begun an anti-trafficking initiative that seeks to increase the capacities of regional and national organizations to sustain more effective prevention programs that will protect women and children. In Bangladesh and India, USAID has effectively integrated Title II and Development Assistance resources to improve the nutrition and household income of disadvantaged populations. These programs will help reduce the socioeconomic inequities that may eclipse other economic and political gains if not addressed.

Population and health challenges

Rapid population growth and the spread of infectious diseases represent a daunting challenge to development in the ANE region. Although nine countries have implemented successful USAID-led family planning programs (Nepal, Bangladesh, India, Cambodia, Indonesia, West Bank/Gaza, Jordan, Morocco, and Egypt) and achieved an average 16% decline in fertility between 1990 and 1998, the region still has some of the highest fertility rates in the world. In addition to population pressures, the 122% increase in the number of HIV cases between 1994 and 1997 in Cambodia, Vietnam and India (an estimated 8.2 million people were infected in 1997 in these three countries) and the re-emergence of drug resistant malaria and tuberculosis represent serious threats in South and East Asia.

USAID response - USAID is supporting population and health programs in almost every country in which it works. These programs are helping to slow population growth that puts additional pressures on scarce natural, economic and social resources, and can contribute to instability, migration and regional conflict. Where population pressures are most acute, in India and the Middle East countries of Egypt, Jordan and Morocco, the ANE Bureau has programs that are

helping to stabilize population growth. Countries in all three subregions have implemented USAID programs to improve maternal and child health, including Cambodia, Egypt, India, Nepal and West Bank Gaza. USAID is designing a new regional infectious disease initiative that will address the specific threats of malaria and tuberculosis. This program builds on the experience gained from USAID regional HIV/AIDS prevention programs that address the cross-border spread of this disease in East and South Asia. These activities support America's national interests and security by helping to stem the spread of infectious diseases.

PROGRAM AND MANAGEMENT CHALLENGES

The development business is becoming increasingly complex. Development professionals today realize that solutions to critical challenges like slowing population and pollution growth, and promoting broad and fair participation in a country's political and economic systems are interlinked and require cross-sectoral responses. Similarly, challenges like the re-emergence and spread of deadly diseases, the growing worldwide threat from air and water pollution, ensuring participation in the globalizing economy, combating the trafficking of women and children are transnational in nature and demand transnational solutions. In response to these challenges, the ANE Bureau has undertaken several innovations. For example, virtually all country-level strategies now link efforts across sectors. In addition, ANE has developed and launched several regional initiatives to more effectively address transnational development challenges.

Managing these complex programs, with limited staff and budget resources, has demanded that ANE more effectively coordinate its efforts with those of other major donors, and more efficiently use its staff and the resources of its for-profit and non-profit consulting and NGO partners. In addition, the Bureau has reached out to partner with other U.S.G. agencies and the commercial private sector to mobilize and channel their expertise and resources towards these development challenges. While these efforts are beginning to show impressive results, they have required the Bureau to rethink its role from that as a leading practitioner of development to that of an innovator and mobilizer of other development resources. Making this change, and training staff to effectively assume this role, is probably the greatest management and program challenge faced by the ANE Bureau today.

OTHER DONORS

Excluding its assistance to Israel, USAID ranks fifth within the donor community in the level of resources it is investing in the ANE region. The leaders are the World Bank, the Asian Development Bank (ADB), the Japanese, and the European Union (EU). Other significant bilateral donors in the region include Australia, Germany, and the United Kingdom. USAID will continue to work aggressively with these donors and United Nations (UN) agencies to reach consensus on development priorities and coordinate programs in every USAID-assisted country in the region. In particular, USAID will seek new opportunities to further the U.S.-Japan Common Agenda, and to cooperate with Japan on parallel programs in East and South Asia.

FY 2001 PROGRAM

The ANE Bureau is requesting $2,518,449,000 to fund its FY 2001 programs. Of this amount, $271.4 million is Development Assistance (DA), $97.6 million is Child Survival and Disease (CSD), $2.009 billion is Economic Support Funds (ESF), and $140.6 million is PL-480 Title II. The specific programs and results to be achieved with these funds are described in the detailed country and regional program narratives and activity data sheets.

In general, the bulk of ESF funds will continue supporting the Middle East Peace process and new programs under the Wye River accords. They will also fund bilateral programs in Cambodia and Mongolia; and contribute to democratic transitions in East Timor and Indonesia; economic recovery in East Asia; regional trade and investment in North Africa; child labor and anti-trafficking activities in South Asia; and regional democracy and environmental programs across the region. PL-480 Title II funds will support programs to improve child survival and nutrition in India, and enhance rural incomes and nutritional status in Bangladesh. The need for a new program in East Timor is under review.

On DA and CSD funding, this $369 million request represents $70 million above the FY 2000 appropriated level. As shown in the accompanying charts, these additional funds will first and foremost enable ANE to broaden our support for economic growth and democracy/governance programs that are critical to fostering competitiveness in the region while promoting U.S. economic and business interests.

The funds and their distribution will enable USAID to ensure balance and integration across sectors within its bilateral

programs, and initiate new and continue ongoing regional initiatives that address critical transnational development challenges. For example, with the resources, the ANE Bureau will:

- Continue to play a catalytic role in the economic reforms taking place in East Asia and the Middle East through the AERA and North Africa Trade and Investment initiatives.
- Assist Indonesia, the Philippines and Thailand analyze their competitiveness in the regional and global economies as they recover from the financial crisis, and better identify the types of reforms that will attract long-term investment and ensure sustained economic growth.
- Continue and initiate new efforts to broaden and deepen economic governance reform across the three subregions through both bilateral and regional programs.
- Initiate the South Asia Regional Initiative/Energy Program to spur the integration of energy systems and investment in cleaner energy technologies in this part of the world.
- Launch a new private sector-led family planning program in the Philippines that will serve as a model for public-private sector partnership and re-energize reproductive health efforts.
- Launch a new regional infectious disease initiative that will complement bilateral programs and specifically address the re-emerging threats of malaria and tuberculosis.
- Build upon the successful regional HIV/AIDS program in East Asia through increased efforts in Cambodia and South Asia.
- Expand ANE's innovative and successful U.S.-Asian environmental partnership program to the Middle East.

The United States Agency for International Development

BANGLADESH

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
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Introduction

Bangladesh is home to 127 million people who reside in an area the size of Wisconsin; it is one of the poorest, most densely populated countries on earth. It is located in the northeast corner of the South Asian sub-continent on a fertile river delta. Bangladesh is an important country for U.S. assistance, not only because of its size and need, but also because of its potential as a leader of the moderate Islamic world, and as a positive force for regional peace, stability and growth in South Asia. Substantial reserves of natural gas have recently been discovered in Bangladesh.

U.S. foreign policy objectives in Bangladesh encourage stable democratic governance, respect for human rights, and market-oriented economic growth. Our program supports these foreign policy objectives and also serves U.S. global interests in stabilizing world population, eliminating hunger and food insecurity, protecting human health, and promoting environmentally responsible growth.

The Development Challenge

USAID has been a major donor in Bangladesh since 1971, and has contributed to outstanding progress in the population, health, and agriculture sectors; rural electrification; food assistance; and disaster relief and planning. For example, contraceptive prevalence rose from 8% in 1974 to 49% in 1997; the total fertility rate has dropped from over 6.3 births per woman to 3.3; 18% of the rural population now has access to electricity versus 3% in 1976; the number of people below the poverty line has declined by about 25% since 1983; and the number of deaths from major disasters has been dramatically reduced by planning and by early warning systems.

Despite such accomplishments, Bangladesh continues to face enormous challenges in assuring food, energy, shelter, and other essential goods and services are available to a population that is expected to surpass 200 million by the year 2035. Some 45% of the Bangladeshi population remain below the poverty line, with 70% of the children affected by some form of malnutrition.

Economic growth in Bangladesh is predicted to decline this year from the average of 5% over the past 3 years. Even a 5% growth rate is too low to lift the country out of poverty, or to sustain its safety net and many of its current social sector programs without continued donor support. Economic growth and employment is held back by serious policy, infrastructure, and institutional constraints. These include state control of key manufacturing and agricultural industries; inadequate and poorly maintained power, port, road and communications infrastructure; an inward looking trade policy; and a shaky, state-controlled financial system. Although the country returned to democracy in 1990, Parliament is barely working and there is no dialogue between the political parties. The quality of governance is poor, with widespread corruption and deteriorating law-and-order. The legal rights of citizens, particularly women and the poor, are often violated.

Other Donors

In 1999, USAID and the donor community provided new funding of about $1.9 billion for development activities in Bangladesh, of which the United States contributed just over 4%. Approximately 75% of donor assistance went into the following sectors: roads and transport, energy, agriculture and rural development, health and family welfare, water resources, education and religious activities. Most major donors support Bangladesh. The five largest are the World Bank, the Asian Development Bank (ADB), Japan, the European Union (EU) and USAID.

The United States Agency for International Development

Bangladesh

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID will continue its leadership role in family planning and health/child survival activities aimed at meeting the Mission objective of "Fertility Reduced and Family Health Improved (SO1)." Among its components, this will include a new emphasis on polio eradication, and on HIV/AIDS prevention for high-risk groups to contain the still limited incidence of the disease in Bangladesh. The Government of Bangladesh (GOB) provides most of the funding for the national family planning and health program, with a FY 1997/8 budget of approximately $400 million. The GOB supports the delivery of family planning and health services through its rural and urban infrastructure of facilities and personnel.

During 1999, USAID/Bangladesh disaggregated its Strategic Objective (SO), "Enhanced Household Income and Food-based Nutrition (SO2)" into four discrete SOs. This restructuring was done to better manage and report on the diverse activities combined under the former objective, and to expand environment and energy programs.

Support for economic growth programs in Bangladesh, previously under the consolidated SO2, is continuing under the newly created SO5. SO5 activities will focus on improving the enabling environment for agribusiness, aquaculture, small and medium enterprises, and micro-finance; and assisting individual entrepreneurs and businesses to improve their products, services, and market access. Activities to strengthen management of open water and tropical forest resources, formerly under SO2 and now under SO6, will improve floodplain and forest management practices at the community level. To achieve its objective of "Improved Performance of the Energy Sector (SO7)," USAID will continue its long-standing support for Bangladesh's rural power program while implementing new activities to foster deregulation of the power sector and development of the nascent natural gas sector.

Support for humanitarian assistance is a major component of USAID assistance to Bangladesh. The poorest families, and those in disaster-prone areas, will continue to benefit under USAID's Public Law (PL) 480 Title II program, previously under SO2 and now under the new SO8, "Improved Food Security for the Most Vulnerable Groups." Activities will assure food availability through the government's safety net and by promoting policy changes to improve private sector channels; support a Food-for-Education program to encourage families to keep primary school-age children in school; finance Cooperative for Assistance and Relief Everywhere (CARE) and World Vision programs to upgrade community infrastructure; and enhance disaster preparedness. During major natural disasters, humanitarian aid is also provided by USAID's Office of Foreign Disaster Assistance (OFDA).

USAID's current Democracy/Governance (DG) objective, SO3, aims to improve representation of the rights of women and the poor. Despite excellent results to date, funding constraints have limited the scope of this program. The Mission's DG strategy is now under review. Important elements of the current strategy will be retained, but changes are likely in the overall objective and in some of the SO activities. A recent DG initiative will continue in FY 2001 to support Transparency International- Bangladesh in addressing anti-corruption issues in the public and private sectors.

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Fertility Reduced and Family Health Improved, 388-001
STATUS: Continuing

PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $18,975,000 DA; $14,800,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $29,000,000 DA; $19,050,000 CSD
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Activities under this Strategic Objective are intended to lower fertility and reduce infant, child and maternal mortality. Major planned results include a reduction in fertility from about 3.4 live births per woman in 1993/4 to 2.8 by 2004 and a decline in infant mortality from 87 per 1,000 live births in 1993/4 to 72 by 2004. The huge size and continuing growth of Bangladesh's population adversely affect the country's ability to feed itself, create sufficient jobs, and provide health, education, and other public services. At the family level, high fertility increases the vulnerability of poor households while continued high mortality further erodes the quality of life. Although fertility and infant and child mortality have declined substantially over the past two decades, continuing efforts are needed to achieve replacement level fertility and further reduce high mortality rates.

USAID supports a network of 45 local non-governmental organizations (NGOs) that provide integrated maternal and child health (MCH) services, including family planning, among a population of approximately 22 million. National level assistance that benefits all Bangladeshis is provided for social marketing; improved distribution of family planning commodities; immunization, including polio eradication; disease surveillance; and mass-media health-communications programs. In addition, HIV-prevention activities are targeted on high-risk groups.

Child survival funding supports immunization and other child health, and Helen Keller work on nutrition; and portions of the urban and rural service delivery, social marketing, quality improvement, and operations research components of the program. The remaining portions of the program are funded under population and other health accounts.

Key Results: The principal result to be achieved under this strategic objective is the increased use of high-impact health services. This requires increasing the availability of integrated health and family planning services through a system that has traditionally emphasized vertical service provision through separate health and family-planning infrastructure and staff, improving service quality, and changing attitudes and behaviors with respect to service utilization among potential clients. It also requires the active involvement of the private sector, including NGOs and commercial product-distribution networks, to substantially complement and extend the reach of government health services.

Performance and Prospects: Performance over the past year, the second full year of the program, exceeded expectations. The program expanded access to high impact services, including immunization; treatment of diarrheal diseases, lower-respiratory infections and sexually transmitted diseases; family planning; vitamin A; and antenatal care. This has been done primarily through (1) 300 community clinics and 12,000 monthly satellite clinic sessions, all managed by NGOs; (2) technical assistance to government health sector; and (3) support for the Social Marketing Company, which has increased the sale of oral contraceptives and oral rehydration packets by 97.5% and 33%, respectively, from the 1997 baseline. In addition, USAID has focused it's HIV activities on high-risk groups in 26 urban areas to maximize impact and is substantially expanding polio-eradication efforts, with an emphasis on improving surveillance and reaching children typically overlooked in previous vaccination campaigns.

Progress was also achieved in expanding access to health information. New communication materials and programs were developed for use by USAID-supported NGOs, and assistance was provided to the GOB to design a national communication strategy for HIV/AIDS and to address, along with the United Nations Children's Fund (UNICEF), key behavioral factors associated with high maternal mortality.

In 1999, USAID supported the design or updating of service delivery guidelines for family planning, emergency obstetric care and HIV/AIDS; the development of curricula for improved client counseling and supervision; and the training of more than 700 service providers. The program also revised quality assurance mechanisms to incorporate these new additions and further strengthened logistical systems through training and technical assistance to ensure availability of contraceptives. USAID logistics assistance will be expanded in FY 2000 to include MCH supplies and drugs, in keeping with GOB desire to unify its health and family planning logistics systems.

Finally, in 1999, the program enhanced programmatic and institutional sustainability through training, technical assistance and continued transfer of responsibility for management and implementation to Bangladeshi partner organizations. Measures to improve cost effectiveness and cost recovery are being investigated to maximize financial sustainability while safeguarding access by the poor. Baseline studies for operations research to test and scale-up improved service delivery approaches have been completed.

USAID is actively involved in policy dialogue with the GOB to ensure that the lessons learned from the program (initiated a year before the GOB's program to integrate family-planning and other health services in government facilities) can

facilitate GOB program implementation.

In FY 2000 and FY 2001, service delivery will be enhanced by increasing the frequency of satellite clinic sessions; converting high-volume satellite sites to static clinics; opening new sites in up to 45 low-performing, under-served areas; and expanding access to clinical contraception. Pricing strategies will be evaluated and revised, and initiatives in adolescent health, HIV/AIDS, polio eradication, and nutrition will be expanded. Continued staff development and refresher training will be emphasized. Community mobilization will be strengthened through dissemination of key health messages, and referral linkages will be strengthened among GOB, NGO and private facilities. The Social Marketing Company will expand the non-pharmacy sales of oral contraceptives nationwide, expand STD/HIV educational programs for high-risk persons, test market pre-packaged STD drugs for men, investigate the potential for marketing female condoms, and promote wider condom utilization on television.

Possible Adjustments to Plans: Intermediate results and associated indicators are being revised to sharpen the focus of the program, without changing its substance.

Other Donor Programs: The World Bank and its consortium of nine bilateral and five multilateral donors are supporting the planned delivery of integrated health and family planning services primarily through the government sector via a comprehensive sector-support program. Though USAID does not fund this program, it coordinates closely with it, especially regarding logistics, procurement and training. Annual expenditures approach $80 million. UNICEF provides approximately $8 million of annual support for specific child survival and selected maternal health activities. Since 1995, under the Common Agenda initiative, the Japanese Government has provided or committed over $15 million for the immunization program (primarily vaccines), the expansion of family planning services through local governments, and support for NGOs. USAID is the second largest donor in the population/health sector, after the World Bank and its partner consortium.

Principal Contractors, Grantees or Agencies: USAID implements activities through U.S. and local private firms, universities, and NGOs. The major partners are: the International Centre for Diarrhoeal Disease Research, Bangladesh, for operations research; Management Sciences for Health for technical support related to immunization (including polio eradication) and other child-health services; AVSC International for quality-improvement activities; John Snow, Inc., for urban service delivery and logistics management; and Pathfinder International for rural service delivery.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**	**Target (2002)**
Percent of aggregate operating costs of USAID-supported NGOs covered by program generated revenues	6	7	10	12	14	16
Sales of Oral Contraceptives by the Social Marketing Company (in millions of cycles)	8.0	12.1	15.8	19	21	23
Sales of Oral Rehydration Salts Packets by the Social Marketing Company (in millions of cycles)	53	62	70.3	77	80	84
Percent of children fully vaccinated by age 12-months with recommended EPI1 antigens	51	54	52	56	58	60
Non-polio AFP2 case identification rate per 100,000 children under 15-years of age	.10	.30	.66	.75	1.0	1.0

Note 1. Expanded program on immunization
Note 2. Acute flaccid paralysis

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Food Security for the Poor Improved, 388-002
STATUS: Terminating. Strategy revised FY 1999. See 388-005 - 388-008
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 1999

Summary: For FY 2000, this Strategic Objective has been superceded by four new objectives (388-005 - 388-008). This restructuring was done to better reflect the level of the Mission's manageable interest in each of the program areas. Results and performance under SO 2 are described in this section and the new SOs' numbers and names are referenced.

This SO directly supports the U.S. foreign policy goal of "promoting broad-based economic growth in developing and transitional economies." It utilizes Development Assistance and Child Survival funds to focus on both economic growth and nutrition through improved efficiency and diversification in agricultural production, and development of related rural industries and infrastructure. In addition, this SO works with the GOB and the donor community, using P.L. 480 food programs to improve rural infrastructure, promote natural disaster preparedness and feed those most in need.

USAID will continue to support food policy reform, disaster management, rural electrification, enterprise development, natural resources management and food security, areas that were all formerly part of this one SO.

Performance: From 1992 to 1998, USAID-supported horticulture and aquaculture activities have assisted over one million households to produce, consume and sell more nutritious food. This activity is amalgamated under SO 5 "Growth of Agribusiness and Small Business."

The results of the private enterprise initiative have created at least 80,000 new jobs in micro, small, and medium-sized enterprises by making available information, expertise and credit. USAID, in collaboration with other donors, recently convinced the Bank of Bangladesh to eliminate interest rate ceilings for agriculture and small business. This significant reform should facilitate the flow of credit to those sectors. This activity is now under SO 5 "Growth of Agribusiness and Small Business."

Regarding SO 2 activities to promote conservation of the environment, the GOB and USAID jointly developed a program, "Management of Aquatic Ecosystems Through Community Husbandry" (MACH). By 1999, activities in two open-water sites have begun, a national steering committee has been formed, and community level management groups have been setup with representation from fisher folks, subsistence fishermen, local government, and relevant GOB departments. The direct beneficiaries have been trained and provided with credit and technologies for alternate income generating activities. Public awareness has been raised through meetings, news media, leaflets and other printed materials, regarding degradation of environment and effects on biodiversity. This activity has used Child Survival funds since it works directly with households to improve the nutrition of the family, mostly women and children. This activity now resides in SO 6, "Improved Management of Open Water and Tropical Forest Resources."

The impact of the rural electrification program across the country during the past two years has been substantial. Over 16,200 new electric connections were made for electrical irrigation pumps. As a result farmers now have greatly expanded access to low cost, dry season irrigation, contributing to increased agricultural productivity. There have been over 100,500 new commercial and industrial consumer connections for the same period. This expansion contributes to improved economic conditions within the rural areas, including increased employment opportunities with both direct and indirect benefits to the rural population. Regarding improved efficiency and better management, the program's system loss remained at 16% to 18% compared with the national utility average loss of 30% to 35%. About 19 million rural people now have access to electricity, generating more than five million jobs in rural areas. This rural electrification activity in FY 2000 will be under SO 7, "Improved Performance of the Energy Sector."

This Strategic Objective has had remarkable success in assisting the GOB to better manage and target its food resources to benefit the poor and needy. The Ministry of Food is now distributing 88% of the public food distribution system food to the targeted programs, such as Food for Education and other food programs for the vulnerable people, an increase of 24% since 1995/96. During the 1998 flood, CARE, working through local NGOs, distributed emergency dry food ration to over 80,000 families; provided supplementary food to feeding centers that served over 150,000 pregnant and lactating women and 300,000 under five children; and distributed potable water to 5,500 families daily. About 17 million vulnerable people (over 40 % of the total population in 180 high disaster prone areas) now have access to emergency relief supplies, reducing their need for distress sales for their physical survival. There has been substantial progress under SO 2 to increase the reach of rural roads in rural areas. Over 13,000 kilometers of farm-to-market roads have been rehabilitated from 1995 through 1999, creating both jobs and greater access to markets and service. These activities are also under SO 8, "Improved Food Security for Vulnerable Groups."

Adjustment to Plans: SO strategy revised in FY 1999. Please see narratives for SO 388-005 - SO 388-008.

Selected Performance Measures:	**Baseline (1995)**	**Actual (1998)**	**Target (1999)**	**Actual (1999)**
Number of households producing vegetables	366,300	924,500	1,075,000	1,100,000

Kilometers of rural roads either constructed or rehabilitated	3,327	9,828	12,455	13,385
Number of small, rural businesses using electricity	178,700	312,500	325,000	348,086
Percent of public food programs targeted	65%	76%	85%	88%
Number of enterprises assisted	129,000	184,000	210,000	214,788

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Improved Representation of Interests of Women and the Rural Poor, 388-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,507,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $4,000,000 DA; $2,500,000 P.L. 480 TITLE II
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: This Strategic Objective (SO) assists local elected bodies (LEBs) to be more open, participatory, and responsive to the needs of women and the rural poor. It also educates them on their legal rights, increases access to local mechanisms of justice, and improves election quality. Related SO activities address child labor; support the labor rights of urban-residing garment workers, mostly women from rural areas; develop the effectiveness of political parties in parliament and open parliamentary committees to public input; curb women and child trafficking; and promote anti-corruption measures. The SO is implemented through non-government organizations (NGOs).

Despite strong prospects to meet short-term performance expectations, the program suffered a major setback in 1999 when the assumed level of funding was not available. Instead of the increased activities, coverage and results, funding constraints led to substantial cutbacks in existing activities; several NGOs were dropped from the program; more will be phased out in 2000 if the requested level of FY 2000 and FY 2001 funding is not realized.

Key Results: Improvements in the functioning of LEBs have increased public confidence in the responsiveness of local government in the 85 unions (lowest units of local government) where the program is active. Democratic practices have been instituted to make the LEBs more accountable and transparent, and to allow public input into their decision-making processes. The alternative dispute resolution (ADR) program has had a considerable effect on the public perception of access to justice in 438 program unions. The total number of clients served in dispute mediation cases in USAID-supported areas in 1998 was 9,747, more than triple the number of clients served the previous year. Finally, the Bangladesh Independent Garment Union Federation (BIGUF) continued to grow in size and effectiveness. Membership increased from 23,687 in 1998 to over 30,000 in 1999 and the number of BIGUF's affiliated factory unions has increased to 24. In 1999, BIGUF saw its first democratic turnover of officers.

Performance and Prospects: In 1999 the title of this SO was revised from "Broadened Participation in Local Decision Making and More Equitable Justice" to "Improved Representation of Interests of Women and the Rural Poor." This revision provides a clearer description of the objective and allows more effective performance monitoring.

A "Democracy Partnership (DP)" comprised of USAID, The Asia Foundation (TAF) and the Bangladesh Rural Advancement Committee manages the bulk of SO activity. Through 21 sub-grants to NGOs, the DP strengthens the ability of the poor to advocate their own interests; enhances the quality of electoral processes; improves the performance and accountability of local elected bodies; increases awareness of women's legal rights; and improves local mechanisms to resolve disputes. Over 100 NGOs are engaged in different elements of the DP program in 30% of Bangladesh's 4,400 unions.

A comparison survey of unions, with and without DP activities, shows a strong, positive program impact in ADR and in increasing responsiveness of LEBs, while two other program elements, advocacy and legal awareness, had mixed results. Legal awareness programming conducted in conjunction with ADR appears to be more effective than when these elements are implemented in separate jurisdictions.

NGO collaboration to build union council effectiveness took firm root in 1998/99 in 85 unions. There was a 27.8% difference in customer confidence in responsiveness of LEBs between unions with LEB programs and those not assisted. USAID partners promote best practices related to constituent input, accountability, transparency, and women's participation. In 1998, NGOs reported that 34% of program LEBs had adopted at least five of the best practices. Under its

new P.L. 480 Title II food security agreement, CARE is expanding its training and technical assistance to union councils. DP-supported NGOs also increasingly engage in national level policy advocacy; NGOs working with LEBs successfully lobbied the Ministry of Local Government and Rural Development for a policy which clarified roles for newly elected women members, to assure that they would be accorded the full authority of other elected members. Other NGOs have addressed human rights violations by the government in 1999. Over several years, USAID has helped build a domestic election monitoring capacity through a coalition of NGOs and through voter education related to local government elections. Data indicated that voters had more confidence in electoral processes in the DP sample than did voters in the control sample. There was also an 11% difference in knowledge of local elected candidates' characteristics in areas where the DP has worked intensively with local elected bodies over the control sample.

The SO has improved local access to justice for rural women and the poor considerably. Eighty-six community organizations in 438 unions are now providing alternatives to the formal court system for dispute resolution. Of the women whose disputes were resolved in 1998, 65% reported that the mediation decisions were satisfactory, while only 6% found the decisions unacceptable. Several grantees now use mass media to disseminate messages. The legal advocacy element broke new ground for Bangladesh in public interest litigation in the High Court in 1998/99. The court addressed two human rights issues related to the abuse of police power and authority while in custody, and the other issue required action against the manufacturers of common salt labeled as iodized salt. Economic Support Fund (ESF) and DA grants support the nascent movement against trafficking of women and children, building networks opposing trafficking, and collecting data on trafficking in Bangladesh. A National Democratic Institute (NDI) activity for political parties in Parliament has opened the parliamentary committee system to civil society input, but deep-rooted political animosities make it difficult to improve working relationships between government and opposition parties.

Performance projections for FY 2000 will be scaled back to adjust for lower funding than originally planned. Most existing activities will be phased out in early 2001, rather than 2002 as previously planned. A new DG SO will be developed over the next year.

Possible Adjustments to Plans: USAID plans to submit a revised SO for approval in FY 2000, that will likely focus on 1) protecting the rights of women and children, 2) strengthening elected governments, and 3) strengthening democratic institutions. The new SO would be rooted in the existing SO, but would aim for a conceptually more focused program, and adapt to funding realities, using more diverse sources of funds, including local currency generations. FY 1999 ESF funds will be used this year in coordination with other donors to initiate civil society activities for the general elections in 2000-2001.

Other Donor Programs: Other bilateral and multilateral donors that address human rights, democracy, and/or governance issues include Canada, Denmark, Norway, Sweden, the United Kingdom, the European Union (EU), the United Nations Development Programme (UNDP), the International Labor Organization, and the World Bank. Coordination with these donors occurs through donor consultative groups on governance and specific topics, like corruption. The EU has begun a parallel program through The Asia Foundation, which reinforces the work of the DP in the areas of legal awareness and alternative dispute resolution. UNDP projects complement USAID's in the areas of local government training, elections, and parliamentary development.

Principal Contractors, Grantees or Agencies: The SO grantees are TAF, ACILS, the Khan Foundation (local government training), Red Barnet and the Bangladesh National Women's Lawyers Association (trafficking), Transparency International/Bangladesh (corruption), and NDI (political parties in Parliament).

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Customer Confidence in Local Elected Bodies' Responsiveness**	*	27.8%*	30%*	30%*	30%
Customer Confidence in Local Justice Processes***	*	13.6%*	15%*	18%*	20%*
Percent of Marriages Registered	*	6.3%*	8%*	11%*	12%
Number of BIGUF members	16,087	23,687	30,000	33,000	35,000

*Difference between area samples for those areas being assisted by the USAID program and the "control" sample areas not being assisted by the USAID program.
**Targets for LEB responsiveness are constant due to program cutbacks caused by budget constraints. Higher targets will be established if preliminary FY 2001 funding projections are met.
***Program coverage related to local justices processes has decreased in 1999 and will likely decrease further in 2000. However, in unions where the program continues, customer confidence levels are targeted to increase further.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Growth of Agribusiness and Small Business, 388-005
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $6,301,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,600,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID technical assistance to policy makers, private enterprises and private financial institutions will help transform agriculture from mono crop (rice) and subsistence farms to diversified, market-oriented businesses. Agriculture still employs over 60% of the labor force, but contributes less than 25% of the Gross Domestic Product (GDP). The expansion of agribusiness, with its market-driven, private sector approach, is key to raising productivity and incomes on the farm as well as creating off-farm opportunities in input supply and processing. Small businesses, other than agribusiness, are also critical for creating job opportunities for displaced farm workers as well as new entrants to the labor market.

Small business is currently dominated by labor-intensive garment factories, which have provided a tremendous boost to the economy in recent years, accounting now for over $4.0 billion dollars of exports per year and 1.5 million jobs. However, the end of preferential access to developed country markets resulting from the phase out of the Multi Fiber Agreement in 2004, and the entry of nearly two million new job seekers into the labor force each year, means that Bangladesh must rapidly develop new, labor-intensive small businesses.

Key Results: This SO will focus on obtaining results in four major areas: (1) more market-oriented policies, laws, regulations, and practices for targeted sectors; (2) stronger market orientation in assisted enterprises; (3) improved products and services in assisted enterprises; and (4) increased access to capital for targeted sectors.

Performance and Prospects: Prospects for this SO in FY 2000 and FY 2001 are promising in light of USAID's strong base of experience in agriculture and small business development, which is leading the way in transforming Bangladesh's agriculture from a subsistence to market orientation. The GOB has welcomed the extension of the agribusiness promotion project for an additional five years and a new contract will be signed shortly. Political and business leaders agree on the need to expand the manufacturing base beyond garments in order to address the challenge of the phase out of the Multi-Fiber Agreement at the end of 2004, and to expand the number of small businesses. On the policy front, the GOB still needs to implement major reforms such as elimination of subsidies in agriculture (e.g. fertilizer), the privatization of state-owned industries and banks, and the removal of remaining interest rate ceilings. But such actions will be politically risky before the next parliamentary elections planned for mid-2001.

In FY 2000 and FY 2001, SO 5 activities will focus on improving the enabling environment for agribusiness, aquaculture, small and medium enterprises, and micro-finance; and assisting individual entrepreneurs and businesses to improve their products, services, and market access.

In FY 2000, baseline data will be collected for new indicators that will measure results for the coming reporting periods.

Possible Adjustment to Plans: None.

Other Donor Programs: Other donors that are actively involved in agriculture include the World Bank (IBRD); Asian Development Bank (ADB); the Food and Agriculture Organization (FAO); the United Nations Development Program; bilateral donors (United Kingdom, Netherlands, Denmark, Canada, and Germany); and the European Commission. Along with the British Department for International Development, the World Bank has taken the lead in the development of fisheries. The World Bank also supports projects in agricultural research and extension. The ADB is now designing a $70 million agricultural project in collaboration with the FAO.

In small business development, bilateral donors are implementing a number of technical assistance and training programs. These include the Swiss Development Corporation's Business Development Services Program, the Netherlands' Small Enterprises Development Program, Denmark's Promotion of Business Partnerships, Germany's Business Advisory Services Program, and the British Government's handicraft and micro-enterprise support activities.

Principal Contractors, Grantees, or Agencies: USAID will implement its activities in partnership with the International Fertilizer Development Center for agribusiness promotion; University of Maryland Center for Institutional Reform and the Informal Sector for enterprise promotion and policy reform; International Center for Living Aquatic Resources Management for aquaculture development; Helen Keller International in horticulture/nutrition; Asian Vegetable Research & Development Center in horticulture; International Maize & Wheat Improvement Center in wheat production; and Palli Karma Sahayak Foundation for micro-credit.

Selected Performance Measures:	**Baseline[1] (1999)**	**Target (2000)**	**Target (2001)**
Growth in sales ($ million)	$6.0	$50.0	$80.0
Growth in exports ($million)	$1.0	$10.0	$50.0
Growth in full time equivalent jobs	21,000 (1997)	25,000	30,000
New market-oriented policies, laws, regulations, and practices	2	3	4

Note 1. 1999 figures are estimates that will be revised based on actual data.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Improved Management of Open Water and Tropical Forest Resources, 388-006
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $600,000 DA; $1,000,000 CSD
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Bangladesh's population pressure has placed a major stress on natural resources. Overuse of natural resources has caused environmental degradation. Open water fish production has declined by 30% - 40% over the last 20 years and this has adversely affected the income and employment of 13 million Bangladeshis. It has also severely impacted bio-diversity; over 200 local vertebrate species are now vulnerable to extinction. Tropical forest resources have also been declining at an alarming rate. About half of the tropical forests have been deforested due to population pressure, crop cultivation, encroachment, theft, land transfer and lack of proper forest management and conservation efforts.

This Strategic Objective (SO) is an outgrowth of SO 2, "Food Security for the Poor Improved" and the ongoing natural resource management component of that SO, "Management of Aquatic Ecosystems Through Community Husbandry" (MACH). The purpose of this SO is to demonstrate improved management of open water and tropical forest resources to communities and local government. The improved management system will be replicated in select areas throughout the country and will benefit the entire Bangladeshi population. Improved natural resource management will create jobs, increase the income and nutritional status of poor people, reduce future degradation of the environment, and improve bio-diversity. The main beneficiaries are those people who depend, either economically or nutritionally, on the open water and its products.

This SO utilizes Development Assistance and Child Survival and Diseases (CSD) funds for open water resources management activities since the program works directly at the community level to enhance fish catch which increases the protein intake of families. If the GOB's application under the U.S. Tropical Forest Conservation Act (TFCA) is approved, then the Mission expects to utilize debt buybacks for conservation and management of Bangladesh's tropical forest resources.

Key Results: This SO will focus on obtaining results in four major areas: (1) improved floodplain resource management practices; (2) increased public awareness; (3) supplemental income generated; and (4) improved conservation and management of tropical forest resources.

Performance and Prospects: During FY 2000-2001, MACH will increase its activity sites from two to three, and will continue activities to generate baseline information on biological, sociological, and environmental parameters in all three sites. MACH will use geographical information system (GIS) and remote sensing technology to provide performance

information that should show that improved management of open water and tropical forest resources by communities and local government results in increased income, improved nutritional status, and more jobs. Activities to strengthen community organizations will continue, but MACH will concentrate on important floodplain management activities such as participatory community planning, physical interventions, and policy guideline development.

In the tropical forestry sector, the GOB has undertaken massive afforestation and reforestation programs and has adopted a "Forestry Sector Master Plan, 1993-2012." The GOB has also officially requested the U.S. Government to include Bangladesh in the debt-buy back program under the TFCA.

In FY 2000, baseline data will be collected for new indicators that will measure results for the coming reporting periods.

Possible Adjustments to Plan: If the Tropical Forest Conservation Act is approved, the Mission will proceed to develop with the GOB a program to conserve the tropical forest and biodiversity in selected areas of Bangladesh.

Other Donor Programs: The World Bank and GOB have signed an $88 million agreement in the Fourth Fisheries project to support the development of fisheries production, conservation and improved management. The British Department for International Development, Ford Foundation, United Nations Development Program and other donors have also been providing support for improvement of open water fish production. The Asian Development Bank has recently signed an agreement with the GOB for $80 million to support tropical forests and biodiversity.

Principal Contractors, Grantees, or Agencies: Winrock International and local non-governmental organizations.

Selected Performance Measures:	**Baseline (1998)**	**Target (2000)**	**Target (2001)**	**Target (2002)**
Hectares of floodplains where sustainable management is being implemented	0	1,000	5,200	10,000
Fish production in the selected floodplains, expressed in kilograms per hectare	50	60	70	80
Number of fish species in the selected floodplains	30	40	45	50

Note: As noted above, the tropical forest management activity is expected to begin in 2001. At that time, selected performance measures will be identified.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Improved Performance of the Energy Sector, 388-007
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $4,000,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,000,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Bangladesh's energy sector holds enormous promise for economic growth. However, inefficiency in energy production (transmission and distribution), inadequate funding for the operation and maintenance of facilities, insufficient investments in new facilities, low levels of commercialization, poor financial discipline (billing and collection), and excessive central intervention impede the sector's progress. The energy sector remains largely publicly managed with generation, transmission, and distribution of both power and natural gas dominated by integrated public utilities. State-owned utility monopolies and subsidized energy prices create little incentive to replace inefficient equipment or to invest in new technology that will promote energy efficiency. Under this current situation, system losses are estimated to be between 30% to 40%.

This SO is an outgrowth of a portion of SO 2, "Food Security for the Poor Improved," which is the Rural Power for Poverty Reduction (RPPR) Program. The purpose of this new SO is to improve the performance and efficiency of the energy sector, thus reducing greenhouse gas (GHG) emission. Significant reforms in the Bangladesh energy sector need to be undertaken to achieve this goal. Enhancing institutional capacity and encouraging policies that promote the use of cleaner fuels, such as natural gas, and reducing energy demand through more efficient energy use and decreases in system losses will lessen GHG emissions.

The development of the energy sector in an environmentally and economically sustainable manner will benefit the entire Bangladeshi population. Increased commercial energy will create jobs, lifting many out of poverty; provide consistent, reliable energy that will improve the lives of many; and allow those who depend on power for income generating purposes to operate their businesses, unimpeded by load shedding.

Key Results: This SO will focus on obtaining results in three areas: (1) increased institutional capacity to make decisions in clean energy development; (2) improved enabling environment; and (3) increased public support for energy sector reform. In addition, USAID is supporting the development and the implementation of a U.S.-Bangladesh Action Plan for Cooperation in the Energy Sector.

Two high-level interagency visits occurred in 1999 that defined and initiated this new SO. A coalition of United States Government agencies, led by the Department of Energy and financed in part by USAID, has provided technical assistance for the establishment of regulatory bodies for the natural gas and electric power sectors, organized workshops on development and dissemination of energy data, partially completed a Bangladesh Natural Gas Resource Assessment, partially completed a Strategic Gas Utilization Study to identify the most beneficial potential uses for Bangladesh of its natural gas resources, and supported USAID-organized visits of Bangladeshi energy experts to the United States.

Performance and Prospects: USAID pioneered the rural electrification program in Bangladesh beginning in 1977. This activity has provided electricity to over 12 million rural people. Despite its successes, most rural people still lack power; therefore, the rural electric cooperatives will be expanded and strengthened and their power generation capacity increased. USAID and its implementing partners help cooperatives provide more reliable energy and better services. USAID, through the RPPR, is complementing the activities of other donors by strengthening the institutional capacity of the Rural Electrification Board and rural electric cooperatives.

With the discovery of major gas fields, Bangladesh has the opportunity to use this natural resource to strengthen and expand its energy sector and to spur economic growth and development. In FY 2000 and FY 2001, USAID will provide institutional capacity building assistance to the entire energy sector. Design of specific activities will be undertaken in FY 2000. In FY 2001, we anticipate that USAID will provide technical assistance to the GOB and regulatory bodies for the natural gas and electric power sectors, provide technical assistance to improve the analytical capacity to undertake energy, economic, and environmental analyses necessary for energy policy making and planning, organize workshops on development and dissemination of energy data, expand support for USAID-organized visits of Bangladeshi energy experts to the United States, and encourage cooperation and the eventual trade in clean energy between Bangladesh and other South Asian nations. This SO will support, in conjunction with the regional South Asia Regional Initiative in Energy, a regional partnership between the Bangladeshi Chamber of Commerce and other regional chambers. However, USAID will not provide funds for infrastructure development. A long-term senior energy advisor recently has been added to the Mission staff for this Strategic Objective.

Possible Adjustment to Plans: None.

Other Donor Programs: The World Bank and the GOB are negotiating an Adaptable Program Loan of $600 million, conditioned upon reforms in the energy sector. The Asian Development Bank (ADB) has: (1) provided loans to the energy sector, totaling over $1.0 billion; (2) just approved a $157 million loan to upgrade distribution and transmission of power in Dhaka, conditioned on reforms; and (3) several smaller technical assistance projects. In the rural electric sub-sector, the ADB, Kuwait Fund, Canadian International Development Agency, and Overseas Economic Cooperation Fund are the largest of the 14 donors, providing electrical hardware supplies and other commodities for infrastructure development.

Principal Contractors, Grantees or Agencies: The National Rural Electric Cooperative Association (NRECA), the U.S. Department of Energy, and other U.S.G. agencies.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Progress in unbundling of transmission				
● Number of utility partnerships established	0	1	1	1
● Kilometers of 230 kilovolt electric transmission line transferred to PGCB	0	45	16.6	600
● Kilometers of 132 kilovolt electric transmission line transferred to PGCB	0	0	0	3000
Small power generation program exists and functioning				
● Number of small power plants installed and functioning	0	0	3	8
Power sector reform act finalized				

• Number of acts	0	0	1	
Policy-makers and professionals better informed of energy sector reform				
• Number of persons trained	0	2570	5000	5000

Note: Numbers are not cumulative.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Bangladesh
TITLE AND NUMBER: Improved Food Security for Vulnerable Groups - 388-008
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,300,000 DA; $500,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $4,152,000 DA; $1,000,000 CSD; $40,617,000 P.L. 480, TITLE II
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Food security is an ever-present problem for the rural and urban poor. While Bangladesh appears to be approaching aggregate food self-sufficiency, 32 million people can not afford an average daily intake of more than 1800 calories. This group is extremely poor, malnourished and vulnerable.

This Strategic Objective (SO) is an outgrowth of SO 2, "Food Security for the Poor Improved." This new objective was created to better focus on the needs of the most food insecure (vulnerable) people. USAID activities concentrate on three program areas: public food management policy, environmentally sound infrastructure, and disaster management. Activities are focused in the most food insecure rural areas, and in selected urban slums. The targeted beneficiaries of this SO are the rural and urban poor.

P.L. 480 Title II resources are the major source of funding for this SO. Title II wheat is sold to the GOB for the local currency equivalent of importing the grain. The GOB then uses the grain for its "Food For Education" safety-net program, a cost effective food delivery program for the poor, which benefits the most vulnerable households by encouraging them to send their children to primary school instead of the fields and factories. CARE and World Vision use the local currency proceeds, supplemented by dollar grants, to implement activities directly, focusing on improving food security of the most vulnerable groups. The International Food Policy Research Institute (IFPRI) complements the Title II efforts by assisting the GOB to identify and implement more appropriate policies for managing its food stocks and its food safety net programs, ensuring food reaches the extreme poor.

USAID's infrastructure development in the rural areas focuses on low cost, hard surface farm to market roads, and earthen village roads. These roads support sustainable growth in agriculture and facilitate rural business and commercial activities, directly contributing to greater rural employment. Rural roads provide access to markets, health and education facilities and government administrative centers. Infrastructure efforts also include sanitation and potable water programs associated with flood proofing and urban area slum rehabilitation.

Strengthening disaster response and preparedness mechanisms at the community level is the major focus of USAID's disaster preparedness activities. As one of the most disaster prone countries in the world, Bangladesh is often confronted by cyclones, tidal surges, flooding, droughts and tornadoes. Disaster management has been defined in terms of response. USAID programs bridge the gap between disaster response and development through preparedness and mitigation.

Key Results: This SO will focus on obtaining results in three areas: (1) improved public food management policy, (2) improved environmentally sound infrastructure, and (3) improved disaster preparedness.

Performance and Prospects: The combined efforts of the GOB, NGOs, USAID and other donors have led to a remarkable evolution in Bangladesh -- from a famine-prone country in the early 1970s to a country capable of managing food emergencies in the 1990s.

While Bangladesh has moved steadily in the direction of reducing public intervention and increasing the participation of private markets in food grain management, the process of adjustment is far from complete. Continued support for food policy reform and expanded private sector participation in food grain markets is critical. Also, given the high level of

poverty, the percentage of public food grain distribution needs to be maintained by the GOB at no less than 85% going to the poor. This objective will maintain this percentage of directed food for vulnerable groups.

In FY 2000 and FY 2001, CARE and World Vision will continue to implement sustainable infrastructure activities that impact directly on the very poor in rural and urban areas, including farm to market and village roads, installation of tube wells and construction of latrines. In addition, they will expand and enhance their community based disaster management activities.

Possible Adjustments to Plans: None.

Other Donor Programs: The World Food Program supports food policy development and the rehabilitation of rural roads. The World Bank and Asian Development Bank focus on major roads. The United Nations Development Program, United Nations Children's Fund and the United Kingdom's Department for International Development all contribute to disaster preparedness and response activities.

Principal Contractors, Guarantees or Agencies: IFPRI, CARE, World Vision and local NGOs.

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Percent of Public Food Distribution System food going to targeted programs	64% (1996)	76%	88%	To maintain 85%	To maintain 85%
Kilometers of farm-to-market roads (low-cost paved surface) upgraded for year-round road traffic	0 (1999)	**	**	375	750
Percent decrease in staple food transportation costs in target area	Tk.38/km/mt (1999)*	**	**	35%	40%
Percent people in target areas with access to emergency relief supplies	7% (1994)	58%	71%	77%	84%

*Baseline is expressed in Taka per kilometer per metric ton of product transport.
**Activity initiated in FY 2000.

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: Bangladesh			
Title and Number: Food Security for the Poor Improved, 388-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	36,793 DA	18,575 DA	18,218 DA
	1,200 CSD	375 CSD	825 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	8,561 DA	9,765 DA	
	3,275 CSD	934 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	45,354 DA	28,340 DA	17,014 DA
	4,475 CSD	1,309 CSD	3,166 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	45,354 DA
	0 CSD	**0** CSD	4,475 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Bangladesh			
Title and Number: Food Security for the Poor Improved, 388-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	36,793 DA	18,575 DA	18,218 DA
	1,200 CSD	375 CSD	825 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	8,561 DA	9,765 DA	
	3,275 CSD	934 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	45,354 DA	28,340 DA	17,014 DA
	4,475 CSD	1,309 CSD	3,166 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	45,354 DA
	0 CSD	**0** CSD	4,475 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Bangladesh			
Title and Number: Improved Representation of Interests of Women and Rural Poor, 388-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	8,786 DA	6,302 DA	2,484 DA
	0 CSD	0 CSD	0 CSD
	47 ESF	0 ESF	47 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	2,463 DA	2,646 DA	
	0 CSD	0 CSD	
	603 ESF	139 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	11,249 DA	8,948 DA	2,301 DA
	0 CSD	0 CSD	0 CSD
	650 ESF	139 ESF	511 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	304 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,507 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,811 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**4,000 DA**	**0** DA	17,060 DA
	0 CSD	**0** CSD	0 CSD
	0 ESF	0 ESF	650 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Bangladesh			
Title and Number: Growth of Agribusiness and Small Business, 388-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	6,301 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**6,301 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**5,600 DA**	**4,999** DA	16,900 DA
	0 CSD	**0** CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Bangladesh			
Title and Number: Improved Management of Open Water & Tropical Forest Resources, 388-006			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**600 DA**	**0** DA	600 DA
	1,000 CSD	**0** CSD	1,000 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Bangladesh			
Title and Number: Improved Performance of Energy Sector, 388-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	4,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**4,000 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**5,000 DA**	**13,224** DA	22,224 DA
	0 CSD	**0** CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Bangladesh			
Title and Number: Improved Food Security for Vulnerable Groups, 388-008			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,300 DA		
	500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,300 DA**		
	500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**4,152 DA**	**4,648** DA	10,100 DA
	1,000 CSD	**1,600** CSD	3,100 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Bangladesh

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	35,200	31,650	32,083	48,352
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	19,650	14,600	15,300	21,050
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	37,650	46,356	17,316	43,117
P.L 480 Title III	0	0	0	0
Total Program Funds	**92,500**	**92,606**	**64,699**	**112,519**
Operating Expenses	3,679	3,565	3,700	4,050
Trust Funds	213	223	226	226
Total Operating Costs	**3,892**	**3,788**	**3,926**	**4,276**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	14	16	17	17
Other U.S. Citizen	1	1	0	0
FSN/TCN	59	59	51	51

Subtotal OE Funded	**74**	**76**	**68**	**68**
Program Funded*				
U.S. Citizen	2	2	4	4
FSN/TCN	7	7	13	13
Subtotal Program Funded	**9**	**9**	**17**	**17**
Other				
TAACS	0	0	1	1
Fellows	1	1	1	1
IDIs/NEPs	0	1	0	0
Subtotal Other	**1**	**2**	**2**	**2**
Total Work Force	**84**	**87**	**87**	**87**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
388-001 Fertility Reduced and Family Health Improved							
- DA	0	29,000	0	0	0	0	29,000
- DFA	0	0	0	0	0	0	0
- CSD	0	19,050	0	0	0	0	19,050
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
388-003 Improved Representation of Interests of Women and the Rural Poor							
- DA	0	0	0	4,000	0	0	4,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	2,500	2,500
388-005 Growth of Agribusiness and Small Business							
- DA	5,600	0	0	0	0	0	5,600
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0

- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
388-006 Improved Management of Open Water and Tropical Forest Resources							
- DA	0	0	600	0	0	0	600
- DFA	0	0	0	0	0	0	0
- CSD	0	1,000	0	0	0	0	1,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
388-007 Improved Performance of the Energy Sector							
- DA	1,100	0	3,900	0	0	0	5,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
388-008 Improved Food Security for Vulnerable Groups							
- DA	4,152	0	0	0	0	0	4,152
- DFA	0	0	0	0	0	0	0
- CSD	0	1,000	0	0	0	0	1,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	40,617	40,617
Totals							
- DA	10,852	29,000	4,500	4,000	0	0	48,352
- DFA	0	0	0	0	0	0	0
- CSD	0	21,050	0	0	0	0	21,050
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	43,117	43,117

Mission Director, Gordon H. West

The United States Agency for International Development

BURMA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Since 1962, Burma has been ruled by a military junta that has brutally suppressed any form of dissent, and under whose leadership the country's economic and social performance has significantly deteriorated. Since the late 1980's, the regime has carried out aggressive military campaigns against ethnic populations, primarily located along the Thai-Burma border. These campaigns, along with the severe suppression of dissent and the deteriorating economy inside Burma, has led to a growing population of economic and political refugees both inside Burma and in surrounding countries. At this time, there are an estimated 120,000 refugees living in camps along the Thai-Burma border. Another estimated 700,000 Burmese live in Thailand, but outside formal refugee camps. Additionally, an estimated 65,000 - 75,000 Burmese refugees are living in India and Bangladesh . The regime's war against the ethnic populations along the Thai-Burma border has displaced another estimated 800,000 civilians, some of whom have been forcibly relocated to camps near military outposts while the remainder have elected to hide from the regime's army in the jungle.

Beginning in fiscal year 1996, Congress earmarked funds for humanitarian and democracy programs related to the crisis in Burma and along Burma's border with Thailand. In FYs 1996 and 1997, the funds were primarily for activities designed to strengthen and support nascent democratic efforts inside and outside Burma. These funds were managed by the Department of State's Office for Democracy, Human Rights and Labor (STATE/DRL). In 1998, Congress increased the funds appropriated for Burma to $5.0 million and specified that $1.5 million be programmed for humanitarian assistance to refugees located along the Thai-Burma border. These funds complement activities already being funded under the U.S. Department of State's Population, Refugee and Migration (STATE/PRM) program. USAID contributed $1.5 million in Development Assistance funds to meet this requirement, and began that year to manage the humanitarian activities under the earmark. In FYs 1999 and 2000, the earmark was increased to $6.5 million, of which $3.0 million was targeted for humanitarian activities and $3.5 million for democracy activities. USAID has continued to manage the humanitarian component while DRL manages the democracy component of the earmark.

The Development Challenge

The challenge facing the U.S. is how to effectively support and influence an eventual peaceful transition to a democratically elected government in Burma, while helping provide critical assistance to the growing number of refugees and displaced people living inside Burma and along Burma's borders. The U.S. government maintains a continued interest in the transition of Burma from a rogue state to a member of the world community. Until this transition takes place, the U.S. government is committed to help alleviate the suffering of displaced Burmese.

The United States Agency for International Development

Burma

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

Assistance in FY 2001 will continue to focus on three interrelated programmatic objectives that:

- support and strengthen the capacity of NGO and student organizations to advocate for a peaceful democratic transition in Burma.
- build capacity needed to manage an eventual transition in government. This will involve: (1) expanding the educational opportunities to Burmese youth living in the refugee camps and to Burmese living inside Burma; (2) providing technical and managerial skills training to Burmese living in the camps; (3) providing English, and ethnic language training to adults, and (4) supporting small-scale community development programs inside Burma.
- provide humanitarian assistance to refugee populations in camps along the Thai-Burma border, and where possible providing to displaced Burmese outside the refugee camps.

Other Donor Activities

The activities being funded under the earmark operate independently of the Burmese regime, but are coordinated with major donors supporting democracy and humanitarian assistance in Burma. According to the Organization for Economic Cooperation and Development, the U.S. ranked fourth among donors assisting Burma between 1993 - 1997, behind Japan, France, and Germany. Bilateral donor programs that focus on humanitarian assistance in Burma include Australia (AusAID) and the United Kingdom's Department for International Development, DFID. Multilateral donors with activities in Burma include the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP), the World Food Program, and the United Nations High Commissioner for Refugees (UNHCR).

ACTIVITY DATA SHEET

PROGRAM: Burma
TITLE AND NUMBER: Democracy and Humanitarian Assistance, 482-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $3,000,000 CSD; $3,500,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $3,000,000 CSD; $3,500,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The Burma earmark requires that a minimum of $6,500,000 be made available to support democracy activities in Burma, democracy and humanitarian activities along the Burma-Thailand border, and for Burmese student groups and other organizations located outside Burma. Earmarked funds are being used in accordance with the requirements of the legislation. Funds are channeled through U.S.-based NGOs and international organizations.

Key Results: Currently there is no program strategy for Burma. Appropriated funds support the U.S. Government's overall objectives of supporting progress towards democracy, improved human rights, and providing humanitarian

assistance to people displaced by war. USAID and the Department of State are presently developing indicators for this program that can be reported on in future years.

Performance and Prospects: Assistance for Burmese refugees, internally displaced peoples, and pro-democracy groups continued in FY 1999. Program activities supported training and advocacy for a transition to a democratic government in Burma. Activities also supported humanitarian assistance to refugees living along the Thai-Burma border. Humanitarian activities have improved access to primary health care, helped assure the maintenance of nutrition and food security of the refugee population, and improved the education being provided to refugee children. Finally, the program has provided basic training to health care workers along the Thai-Burma border in universal precautions to reduce the spread of HIV/AIDS, and developed and introduced culturally appropriate sex education materials that focuses on prevention of the spread of HIV/AIDS. FY 2001 funds will be used to continue existing programs.

Possible Adjustments to Plans: USAID and the Department of State are exploring possible opportunities to expand capacity-building activities, especially in the areas of post-secondary training for youths, adult literacy, and technical and managerial skills training for Burmese living inside the camps.

Other Donor Programs: This activity operates independently of the host government, but is coordinated with efforts of more than thirty other donor agencies through the Coordinating Council for Support to Displaced Persons in Thailand and the Burma Border Consortium.

Principal Contractors, Grantees or Agencies: Principal grantees include the National Endowment for Democracy, the International Relief Committee, World Education/World Learning Consortium, the American Center for International Labor Solidarity, Open Society Institute and United Nations International Children's Fund.

Selected Performance Measures: Performance indicators are being developed that will encompass democracy, human rights, and humanitarian assistance efforts. Indicators will measure nutrition, health services, and access to education by Burmese border camp populations. The number of refugees receiving basic food assistance, incidence of infant mortality and rates of infectious disease, and the number of children with access to education in Thai border camps are possible indicators.

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Burma			
Title and Number: Democracy and Humanitarian Assistance, 482-002			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1998	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,077 ESF	269 ESF	808 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 1999	578 DA	200 DA	
	3,660 CSD	970 CSD	
	5,723 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 1999	578 DA	200 DA	378 DA
	3,660 CSD	970 CSD	2,690 CSD
	6,800 ESF	269 ESF	6,531 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	262 DA		
	0 CSD		
	600 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2000 NOA	0 DA		
	3,000 CSD		
	3,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2000	**262 DA**		
	3,000 CSD		
	4,100 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2001 NOA	**0 DA**	0 DA	840 DA
	3,000 CSD	0 CSD	9,660 CSD
	3,500 ESF	0 ESF	14,400 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Burma

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	540	300	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	960	2,700	3,000	3,000
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	3,500	3,500	3,500	3,500
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**5,000**	**6,500**	**6,500**	**6,500**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0

Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
482-002 Democracy and Humanitarian Assistance							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	3,000	0	0	0	0	3,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	3,500	0	0	3,500
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	3,000	0	0	0	0	3,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	3,500	0	0	3,500
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

CAMBODIA

Development Challenge

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Introduction

The United States was a key signatory to the 1991 Paris Peace Accord, which ended a decade-long civil war and transformed Cambodia from a one-party Communist state into an emerging pluralistic democracy. Since that time, the highest national interest of the United States in Cambodia has been the promotion of democracy and the continued improvement of human rights. Also of great importance is addressing global problems of infectious diseases including HIV/AIDS and poor maternal and child health. Other important U. S. interests are humanitarian assistance to those still suffering the effects of civil war, genocide and foreign occupation, and improving the lives of the 85% of Cambodia's population in rural areas who remain mired in poverty.

Since the early 1990s USAID has been assisting the Cambodian people to rebuild their society. Development and strengthening of indigenous non-governmental organizations (NGOs) has been a cornerstone of this effort, with Cambodian NGOs increasingly stepping forward to deliver services, to provide training, technical assistance, information exchange and advocacy support which international private voluntary organizations (PVOs) previously delivered. During a short period of bilateral engagement (1994-1997), assistance to strengthen technical capacity within the Royal Government of Cambodia (RGC) was underway. During that phase, assistance continued to be delivered through and implemented by PVOs, until such time as the technology transfer was considered completed and the RGC deemed strong enough to administer its own development program. That period was interrupted prematurely when political events in July 1997 led to restrictions prohibiting direct assistance to the RGC, restrictions, which have yet to be lifted.

The Development Challenge

Despite progress during this decade, Cambodia was ranked 137th of 174 countries on the human development index by the United Nations Development Program (UNDP) in its 1999 Human Development Report. Cambodia lags behind most of its neighbors in the region in bringing a higher quality of life to its citizens. Per capita annual income is $280, and this figure is even lower for the majority of people who live in rural areas where cash is scarce and life is hard. Infant, child and maternal mortality rates are among the highest in Asia. Rates of malnutrition in children and anemia in both children and women in reproductive ages are alarmingly high. Life expectancy at birth is only in the mid-50s, and even that level is threatened by Cambodia's fast-growing HIV/AIDS epidemic. Since World War II, Cambodia has been torn by political strife and civil war, the worst of which by far was the brutal Khmer Rouge regime led by Pol Pot in the last half of the 1970s which devastated the country and its people. Years of war and neglect have ravaged the country's physical infrastructure and decimated its human resource base. In this decade, the process of rebuilding has begun. For the first time in 30 years, there is no fighting in Cambodia, and in 1999 the country has witnessed its first full year of stability.

Policy successes in Cambodia in progress towards democracy and improved governance within the past 18 months are

numerous. A successful election was held in which 93% of eligible voters expressed their choice, followed by the establishment of a carefully negotiated coalition government. Both the elected National Assembly and appointed Senate are seated and enacting legislation, with a vocal opposition party present in both chambers. As promised at the Consultative Group meeting in February, the coalition government has embarked upon an ambitious and comprehensive reform agenda, which is reviewed quarterly with donors and is, to date, progressing according to plan. Examples of reforms include imposition of a value-added-tax and improvements in customs collections which increased tax revenue in the first nine months of 1999 by 58%; increased social sector budget allocations along with decreased military and security allocations, and a decrease of over 2,000 in the number of civil servants. Negotiations continue on establishing an internationally acceptable Khmer Rouge war crimes tribunal.

These successes, as well as continued reforms, remain fragile, however, in a climate where there is no reliable rule of law, where trust and loyalties are fluid, where corruption is pervasive, and where democratic institutions are in their infancy.

Despite the policy and legal restrictions which remain in place and the reduced program budget over the past three years to approximately 40% of planned strategy levels, USAID has achieved significant progress in helping meet Cambodia's development challenge.

U. S. assistance has been invaluable in supporting programs and organizations to protect human rights and to strengthen civil society. A public defender's program now makes legal aid available to the poor in 83% of the country's courts. Human rights monitoring is on-going in 23 of Cambodia's 24 provinces and municipalities. Human rights are improving, and strong Cambodian NGOs are speaking out persuasively for government accountability and to influence public policy.

USAID's NGO partners have penetrated the rural areas with high-impact child survival programs through village development committees and increased the proportion of women seeking antenatal care. They have promoted the micronutrient agenda through educational materials and launching of a large-scale salt iodization program, and have provided high quality care for obstetric complications in areas where none was available before. They have trained 900 staff from 46 centers in the public health system in case management of childhood illnesses, and have doubled contraceptive prevalence in areas where family planning services were made available.

As Cambodia's largest HIV/AIDS donor, the USAID program strategically targets the population at highest risk to complement the RGC national AIDS program. The NGO social marketing partner sold 12.9 million condoms in 1999, and, 26 community-based organizations have been trained to provide AIDS education and care.

To help Cambodian victims of war and mines, U. S. assistance provides over 5,000 prosthetics, orthotics or wheelchairs annually and, importantly, has built the indigenous capacity to produce the devices and provide the services to those in need. USAID-supported NGOs provide technical training and job search help to over 1,000 orphaned, displaced or poor youth annually. With these efforts successfully underway, disabled Cambodians are now better able to reintegrate into society than they were before.

To meet the demand of the 85% of the rural poor who do not have access to credit, in 1999, with an investment of less than one million dollars, USAID's NGO partners provided over 90,000 clients with loans totaling over $5.5 million. More than 90% of clients are women. The average loan is less than $200.

Other Donors

Total development assistance to Cambodia has returned to the pre-July 1997 level of about $400 million annually. The United States is the only donor not to have resumed bilateral aid and is now the eighth largest donor, behind Japan, the World Bank, the Asian Development Bank, the European Union, the United Nations Development Program, Australia, and Germany, and only slightly ahead of Sweden and the United Kingdom. Prior to the 1997 aid suspension, the United States was the second largest bilateral donor after Japan. The largest amounts of other donor assistance are primarily for infrastructure projects, rural development and poverty alleviation and for social sector spending.

The United States Agency for International Development

Cambodia

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The direction and scope of USAID's FY 2001 program is largely dependent on the size of the budget and on whether or not restrictions on working with the RGC are lifted. Much of the program will continue unchanged, with program emphasis on democracy and human rights, reproductive and child health, HIV/AIDS prevention, war and mine victims and microfinance. Since FY 1998, USAID's operating year budget (OYB) has been approximately 25% below the amount planned in the Congressional Presentation. If that reduced level continues in FY 2001, it will be necessary to make significant program reductions to reflect this lower level of funding.

In democracy, USAID-supported NGOs will continue strengthening local NGOs engaged in protecting human rights, furthering public policy making, building civil society, sustaining the political process, and modifying the behavior of public servants to better promote pluralism and mutual co-existence. If re-engagement with the RGC is possible, activities to rehabilitate and nurture the judiciary, national legislature, local-level governance and electoral institutions will be emphasized.

In the health sector, NGOs will continue activities to expand supply, increase access and strengthen demand for reproductive and child health services. If the OYB remains at the level of the past three years, activities will be cut back by 50%, and funds will be sufficient to continue only three of our current seven grantee partners.

In FY 2001 USAID's NGO partners will support the RGC's comprehensive national HIV/AIDS prevention plan by providing strategically targeted basic HIV/AIDS education and behavior change prevention information and condom promotion to at-risk communities in four key provinces, by strengthening local NGOs in HIV/AIDS prevention, care, and support, and by disseminating information to policy makers about the epidemic in Cambodia. In addition, a model for STI and reproductive health service delivery programs for at-risk populations will be developed.

Following a review of USAID's role in the war and mine victims assistance sector, USAID assistance will focus on capacity-building for provision of prosthetics and orthotics, vocational training, and strengthening non-governmental coordination for the disabled.

In microfinance, USAID-supported NGOs will continue to expand the number of clients receiving loans and the total amount of loans. In addition, attention will be focused on enhancing the enabling environment in which microfinance organizations operate. If the OYB remains at the level of the past three years, this group of activities will be redefined as humanitarian assistance rather than economic growth and will be combined with the assistance to war and mine victims' activities.

ACTIVITY DATA SHEET

PROGRAM: Cambodia
TITLE AND NUMBER: Strengthened Democratic Processes and Respect for Human Rights, 442-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $8,000,000 ESF

INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The purpose of this Strategic Objective (SO) is to rebuild Cambodia as a democratic society, after the decimation of its institutions during almost 30 years of civil strife and warfare. Over the past year the political climate has been the most peaceful of the last three decades. A coalition government is working, Khmer Rouge trials are on the docket, and membership in Association of Southeast Asian Nations (ASEAN) and the United Nations has been achieved. The setting is auspicious for significant progress. USAID has steadfastly hammered away at adherence to the rule of law, improvement in human rights and the status of women and children and a strengthened role for civil society. USAID-supported organizations have shown robust determination to resist any backslide to the political past and persist with patient efforts to advance human rights values and democratic processes. The long-term solution will not come in a day or a year but will take an extended commitment by donors and Cambodians alike.

Key Results: Three intermediate results are critical for meeting this SO: (1) Human Rights: strengthening and nurturing local human rights and civil society organizations so that they are sustainable and have greater impact on reducing human rights abuses and creating conditions for equity and justice; (2) Legal sector: increased adherence to the rule of law and the upholding of citizens rights through the provision of public defender services, which helps to reduce violations of due process and other abuses of the legal system; and (3) Elections: multi-party local level elections planned for 2000 should be open, fair, and transparent.

Performance and Prospects: An independent assessment of this SO was conducted over the past year. The assessment acknowledged "very substantial achievements in the fight for human rights and in the difficult battles surrounding legal rights and defense of the poor." A high profile case involving jailed workers of a human rights NGO was successfully resolved. A widely criticized article of the constitution, which allows impunity for public officials, was revised positively. In human rights education, one-third of the primary and secondary teachers nationwide have received training. Human rights monitoring now covers almost 97% of the total population. Effective media campaigns have been launched to highlight and combat domestic violence, which affects one out of six Cambodian households. In addition, comprehensive services are provided to victims of sexual trafficking, rape and domestic violence. USAID-supported civil society and human rights NGOs are leading the battles against land confiscation and other land rights issues, corruption and degradation of the environment. In FY 2000, USAID will begin work with ACILS and the Department of Labor to improve working conditions in the textile and apparel industry through support for the development of effective trade unions. Funds will also be used to support monitoring of adherence to the labor code by Cambodian companies. FY 2001 resources will be used to strengthen the areas discussed above, e.g., FY 2001 funds will be used to continue to support local organizations engaged in protecting human rights, furthering public policy making, and implementing nationwide good governance programs aimed at the local level. This SO is on track to meet its targets and benchmarks by the end of FY 2002.

Possible Adjustments to Plans: The democracy sector assessment encouraged USAID to engage the Royal Government of Cambodia as soon as legislative restrictions were lifted. When USAID is allowed to reengage fully with the Cambodian government, there are several activities that should be undertaken to strengthen the rule of law. Training programs for judges, prosecutors and court support staff are urgently needed, and the judiciary, as an institution, needs to be strengthened in order to enhance the balance of power and end a "culture of impunity." In addition, the National Assembly and the Senate remain weak institutions. With re-engagement, USAID would work with these and other institutions on strengthening and expanding political processes.

There is considerable uncertainty about the timing of the important upcoming communal elections. Should these be called toward the end of FY 2000 rather than later in FY 2001, USAID will want to be in a position to support these local elections in order to spread the growth in democratically based institutions to the local level where much of government's interaction with citizens takes place.

Other Donor Programs: The United States, Japan, France, Australia, Sweden, Canada, Germany, the European Union and various United Nations agencies, especially the United Nations Human Rights Commission and the United Nations Development Program, are the major donors working in the democracy sector in Cambodia. Coordination of assistance plans and activities between the donors in specific areas has been good. Although many human rights and democracy activities are funded by multiple donors, coordination is generally excellent.

Principal Contractors, Grantees or Agencies: Current grantees include The Asia Foundation, International Human Rights Law Group, Private Agencies Collaborating Together, ACILS, and the University of San Francisco.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**

Lawyers/public defenders providing access to services for the accused poor in 80% of courts country-wide	46%	87%	90%	90%
Increased sustainability of targeted indigenous human rights and civil society organizations	4 (1998)	9	10	11
Percent of human rights abuses reported and investigated that were successfully resolved	24% (1996)	37%	45%	50%
Number of criminal and civil cases handled by defenders and lawyers to final disposition	193 (1995)	614	700 - 800	850

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Cambodia
TITLE AND NUMBER: Improved Reproductive and Child Health, 442-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,500,000 CSD; $4,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $7,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Burdened with some of the worst health indicators in Asia, Cambodia is still struggling to translate its new found political stability into substantial progress in health sector development. USAID assistance in the sector is implemented entirely by non-governmental organizations and focuses on specific target areas of rural Cambodia. After reexamining the scope of activities currently implemented as contrasted with those envisioned at the outset of the strategic objective in 1995, USAID and its partners revised the results framework to ensure it accurately reflects current needs and activities and more accurately measures their performance. Additionally, since the strategic objective is being extended to FY 2002, a review of the best role for USAID activities over the next several years will be conducted in the coming months. All available data point toward a tremendous need for continued USAID assistance, particularly given recent information suggesting an increase in child and infant mortality over the past five years, increases in multi-drug resistant malaria, alarmingly high anemia and malnutrition rates, and the high unmet demand for family planning.

Key Results: The three key results for this objective are: (1) expanded supply of reproductive and child health services; (2) increased access to reproductive and child health services; and (3) strengthened demand for reproductive and child health services.

Performance and Prospects: Positive performance over the past year on this objective has been solid. Recently, in a testament to the success of specific activities conducted by USAID implementing partners in target areas through village development committees, the RGC has incorporated partner-generated ideas and operating procedures into its national rural development policy. Nationwide, 1,500 referral, midlevel and health center directors and pharmacists have been trained in logistics management practices and procedures. Ongoing monitoring activities ensure their continued use and will maximize the benefits of a reliable drug and commodity supply. Through a combination of an innovative family-level water filtration system and hand pump installation activities of an implementing partner in northeastern Cambodia, an additional 24,000 persons have access to safe water - an increase of 50% over the beginning of the year. Employing CSD funds, USAID's condom social marketing program has again exceeded its target, with year-to-date sales of 11.8 million - 13% higher than last year's sales at the same point in time. Also using CSD funds, USAID's major clinical reproductive health implementing partner has seen an increase of 15% in its STD/reproductive health caseload for the first half of 1999, indicative of the increasing demand for quality STD care services and the high burden of STD in the country. With child survival funds, it has expanded antenatal care services. Finally, in collaboration with UNICEF and United Nations Fund for Population Activities (UNFPA), USAID is co-funding the first-ever Demographic and Health Survey in Cambodia. The survey will provide the first province-level estimates for a wide range of health as well as other social indicators.

As a result of these activities, the population of the target areas has benefited directly from the expanded supply, increased access and strengthened demand for reproductive and child health services. Moreover, national level impact has been achieved in logistics management practices and rural development policies - particularly noteworthy as these effects will continue to garner benefits for years to come.

FY 2001 requested resources will be used to expand and strengthen the activities noted above. Vitamin A activities

targeted to children under age 5 will be expanded. In addition, USAID will support the implementation of a national salt iodization program and will socially market this critically important micronutrient to the underserved populations at highest risk for iodine deficiency disorder. USAID will also continue to provide support for quality improvements at the health facility level aimed at issues such at antenatal care, breastfeeding and tetanus vaccination. In addition, with Reproductive and Child Alliance (RACHA) support, guidelines for clinical management of safe motherhood and reproductive health services will be implemented.

Possible Adjustments to Plans: Since this strategic objective is being extended in anticipation of more stable funding levels, which will make a new strategic approach feasible, USAID plans to review its approach to reproductive and child health to ensure that its activities correspond to the Ministry of Health's (MOH) plans and complement the activities of other donors. Adjustments to the plan may be necessary depending on funding levels secured for the subsequent fiscal year.

Other Donor Programs: The World Health Organization (WHO) supports infectious disease and national-level vector control programs. In addition, WHO provides technical advisors for health sector reform and the provincial health management teams in several provinces. The United Nations Children's Fund (UNICEF) supports the national immunization and essential drugs programs, as well as provincial health advisors in four provinces. UNICEF and WHO, together with the MOH, continue to support introduction and adaptation of the Integrated Management of Childhood Illness initiative, with pilot tests beginning in early 2000. The UNFPA, with EU funding, implements a youth reproductive health project implemented by seven local and international non-governmental organizations. UNFPA also supports continuing analyses of the 1998 national census data. The World Bank and Asian Development Bank support provincial-level health systems strengthening projects in 11 and four provinces and municipalities respectively. GTZ provides technical support to the National Institute of Public Health. AusAID provides technical support for primary health care activities at the provincial level. A coordination committee of government, donor, international and implementing agencies meets monthly for joint review, planning and monitoring of health activities.

Principal Contractors, Grantees or Agencies: USAID/Cambodia implements its RCH activities through U.S., international, and local NGOs and centrally-managed cooperating agencies. Grantees include CARE International, Helen Keller International, Medecins Sans Frontieres, Partners for Development, Reproductive Health Association of Cambodia, Population Services International, and World Vision International. Global Bureau partners include AVSC International and John Snow, Inc.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)***
Infant mortality rate	115 (1995)	89	87	--
Under-five mortality rate	181 (1995)	115	112	--
Modern method contraceptive prevalence rate (among married women of reproductive age)	7% (1995)	16%	18%	--
Percentage of health centers in target areas with satisfactory levels of stock on hand	0% (1999)	0%	40%	80%
Sales of Number One condoms	5 million (1995)	12.9 million (est)	14.0 million	15.5 million

* There are no plans to measure infant mortality, under-five mortality or contraceptive prevalence in 2001.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Cambodia
TITLE AND NUMBER: Enhanced Assistance for War and Mine Victims, 442-004
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $1,500,000 ESF
INITIAL OBLIGATION: FY 1993 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Cambodia's tragic history of war and civil unrest has resulted in an estimated 158,000 disabled persons (of

whom 45,000 are land mine amputees), 200,000 impoverished youth and war orphans and 600,000 widows. These individuals face tremendous social and physical barriers hampering their effective participation in family life and in productive social and economic activities. In addition to the problem of large numbers of war-affected individuals, an inadequate health care system, widespread poverty and lack of a social safety net conspire to push war and mine victims to the extreme margins of Cambodian society. USAID partners implement rehabilitation, training, and service provision activities to allow these individuals to participate more fully in society and to lead productive lives. In addition, USAID implementing partners have been instrumental in the formation of 15 specialized coordination and training mechanisms to address the different activities in this sector. Given the limited capacity of the RGC and other Cambodian institutions, support for war and mine victims will require significant international donor and NGO assistance for some time to come.

Key Results: The two key results for this special objective are: (1) increasing access to rehabilitation care and job training, and (2) establishing 10 functional coordinating and training mechanisms in government agencies and NGOs.

Performance and Prospects: Overall performance under this special objective has been good. Fifteen networks, sub-committees or other support groups facilitate and coordinate assistance to war and mine victims as opposed to the 10 that were originally envisioned. Similar success was seen with prostheses and orthotics: 4,932 new and replacement prosthetic and orthotic devices were manufactured and fitted, including appropriate follow-up for patients, 26% above the annual target for 1999. The number of mental health care patient consultations was a target for this final year of activity, with a cumulative total of over 2,800 patients receiving a consultation or treatment by the end of the project in 1999. Vocational training for orphans met expectations with 886 students enrolled in training courses in 1999 and a cumulative total of over 1,640 students. Over the coming years, as more Cambodians become aware of the support services available, utilization of available prosthetics and orthotics services and vocational training opportunities is likely to increase.

Possible Adjustments to Plans: A review of USAID's role in the war and mine victims sector was conducted this past year. Based on that assessment, future assistance will focus on provision of prosthetics and orthotics, especially on indigenous capacity-building and coordination within the sector and on vocational training. Mental health care activities will cease.

Other Donor Programs: Japan, Australia, Germany and UNESCO provide support for vocational training initiatives. The European Union, Australia, UNICEF, and the International Committee of the Red Cross provide support for rehabilitation programs. The International Organization on Migration provides assistance for a mental health training program. The World Food Program provides food-for-work programs. The United Nations High Commission for Refugees provides assistance for internally displaced persons while the Asian Development Bank and Canada provide support for small-scale economic activities. The United Kingdom provides technical assistance for demining activities.

Principal Contractors, Grantees or Agencies: Current USAID grantees include Vietnam Veterans of America Foundation, American Red Cross, Salesian Mission, and Handicap International.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Number of assistive devices provided	2,077 (1996)	4,932	3,468	3,872
Number of patients who have received mental health treatment*	1,915 (1995)	2,835	not applicable	not applicable
Cumulative number of orphans and disabled enrolled in courses	235 (1995)	1,645	1,745	not available
Number of coordinating mechanisms in-place	0 (1995)	15	10	10

* Mental health service provision activities ceased at the end of CY 1999.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Cambodia
TITLE AND NUMBER: Reduced Transmission of Sexually Transmitted Infections (STI) and HIV/AIDS in High-Risk Populations, 442-005 **STATUS:** Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $2,050,000 CSD

PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,500,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Cambodia is the scene of one of the most rapidly progressing AIDS epidemics in Asia. The first HIV infections were detected only in 1991. Alarmingly, by the beginning of 1999, 200,000 Cambodians were estimated to be HIV positive. Latest-available seroprevalence data indicate that the epidemic is still concentrated in high-risk populations such as commercial sex workers (43% HIV positive in 1998) and their clients, but that it is beginning to spread to the general population (2.4% of married women were HIV positive in 1998). Estimates of HIV infection rates as high as 3.7% of the general adult population have been made. To head off an explosive spread of the epidemic in the general population, USAID's interventions focus on behavior change interventions in high-risk populations coupled with improved quality of and access to STD care for low- and high-risk populations. A particularly important target group is the individuals (mainly men such as police officers and military personnel) who form bridges between the high-risk groups and the general population.

Key Results: The three key intermediate results for the special objective are: (1) policy makers are informed about the HIV/AIDS epidemic in Cambodia; (2) high-risk behaviors are reduced in the target areas; and (3) sexually transmitted disease (STD) and reproductive health service delivery programs for high-risk populations are piloted and replicated in the target areas.

Performance and Prospects: Overall performance on this special objective has been good, given the relatively recent commencement of activities. Due to unexpectedly low capacity among local partner organizations, the selection of sub-grantee partners has required more effort than originally anticipated. Nevertheless, in the past year, a baseline assessment was conducted of Cambodia's efforts on the policy front to confront AIDS, with reassuringly positive results especially in terms of government commitment. In spite of the relatively low capacity of local organizations, sub-grant agreements have been finalized with seven local implementing agencies. The group of core trainers from local implementing agencies has just completed training outreach workers and peer educators who will work with the target high-risk populations. The first outreach and peer education sessions have begun. In STD care, an initial assessment of the quality of STD care is nearly completed. The results will feed directly into efforts to improve the quality of care offered in target facilities. Also, a major survey of STD prevalence and drug resistance in target areas is being implemented in collaboration with the national AIDS program. At the end of FY 1999 and with CSD funds, activities targeting children affected by and infected with HIV were initiated and results are expected by the end of FY 2000.

In FY 2000 and FY 2001, USAID funding will support the analysis and dissemination of a household level microeconomic impact study of the HIV/AIDS epidemic. Institutional strengthening of NGOs networks to deliver quality HIV/AIDS interventions and advocate for change will continue. In addition, the mission will work with local NGOs to increase the distribution of targeted IEC materials that address correct condom use, HIV/STD transmission mechanisms, symptom recognition, treatment, and safe-sex negotiation skills, especially to high-risk groups. FY 2001 resources will also be used to increase outreach activities in workplace projects and along major transportation routes, thereby fostering linkages to the private sector.

Possible Adjustments to Plans: None.

Other Donor Programs: The USAID program is currently the largest HIV/AIDS program in the country. WHO supports nationwide expansion of the 100% condom use policy in brothels, modeled after the successful program in Thailand. WHO, with some USAID/ANE technical assistance, provides support to the technical bureau of the National AIDS Authority for the behavioral and HIV sentinel surveillance systems. UNICEF supports interventions targeting adolescents and street children. The World Bank provides technical advisors to the technical bureau of the National AIDS Authority. UNAIDS works closely with the National AIDS Authority and its technical bureau to plan and coordinate activities with major international donors and implementing partners to maximize their benefits. A coordination committee of host government, donor, international and implementing agencies meets monthly for joint review, planning and monitoring of activities.

Principal Contractors, Grantees or Agencies: USAID implements its STI/HIV prevention activities through Family Health International and its partners in the IMPACT project, Population Services International and the Khmer HIV/AIDS NGO Alliance.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**	**Target (2002)**
Prevalence of sexually transmitted infections among commercial sex workers in target areas	41.9% (1996)	Not yet available	40%	37%	35%

Percentage of men reporting always using condoms with commercial sex workers during previous three months	63% (1998)*	Not yet available	69%	75%	80%
Percentage of men reporting always using condoms with sex partner (other than sex workers) during previous three months	9% (1998)*	Not yet available	18%	25%	30%
Percentage of female commercial sex workers reporting consistent condom use with clients over the previous 12 months	42% (1998)	Not yet available	48%	52%	55%

* The condom use indicators are derived from the behavioral surveillance system, which has recently undergone substantial review and revision. As a result, these indicators measuring performance of behavior change intervention have changed relative to those used last year. A re-analysis of baseline data is planned in early CY 2000 to reconfirm baselines and targets for these changed indicators.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Cambodia
TITLE AND NUMBER: Expanded Access to Sustainable Financial Services, 442-007
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $1,000,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: USAID initiated this special objective to respond to the scarcity of formal savings and credit programs available to the poor, especially in rural areas. The number of microfinance programs directed to serving the needs of the poor has increased in the past five years, but more than three-quarters of the rural population still does not have access to basic financial services. The purpose of this special objective is to increase the access of the rural poor to sustainable financial services. The direct beneficiaries of achieving this purpose will be an estimated 150,000 to 200,000 women.

Key Results: Three intermediate results are critical to achieving the purpose of this special objective: 1) an average annual growth rate of 20% in the number of clients receiving micro loans from programs funded under this special objective; 2) an average annual growth rate of 20% in outstanding loan balances disbursed to clients receiving micro loans; and 3) a steady enhancement of the quality of the enabling environment in which microfinance organizations operate. On the basis of experiences in the first year of implementing this program, a number of adjustments have been made to the intermediate results to reflect what are thought to be more realistic estimates of sustainable rates of expansion. The foremost of these adjustments include: 1) downward revisions of sustainable long-term rates of growth of the number of clients served, and outstanding loan balances, from 25% to 20%; and 2) elimination of the village banks indicator, which was considered to be redundant. The baseline data on the number of active clients, and outstanding loan balances, were also revised as a result of improved financial management practices and reporting and monitoring procedures.

Performance and Prospects: The first year of this program was characterized by the initiation of activities designed to consolidate operations and strengthen organizational and administrative capacities of microfinance credit providers receiving funding from USAID. This support provides these organizations with the specialized technical assistance and training required for them to become financially sustainable licensed microfinance institutions. The largest of these providers completed the transformation process during the past year and has attracted a number of substantial stockholders. It will become the first microfinance organization in the country to be licensed by the National Bank of Cambodia.

The recognized need for such consolidation and strengthening to occur before rapid expansion of outreach continues dictates that the number of active clients, and outstanding loan balances, will be considerably less during the first two years of the program. This is reflected in the performance indicator data for the past year. When the two other organizations currently receiving funding complete their transformations, expansion of outreach activities will begin once more to accelerate. It is expected that by the third year of the program, growth in the number of active clients and outstanding loan balances will exceed projected long-term rates. The continued strengthening of the environment in which these organizations operate, reflected in the past year by the passage of significant banking legislation, will be particularly conducive to such long-term growth.

Possible Adjustments to Plans: The expansion of outreach activities of one of the organizations currently receiving funding has been temporarily delayed as the result of an internal dispute over a decision made by the Board of Directors to replace the managing director of credit operations. If this dispute cannot be resolved to the satisfaction of USAID in a reasonable period of time, funds supporting these activities may have to be reallocated.

Other Donor Programs: The UNDP, the European Union, the French Development Bank, and GTZ have been significant providers of funds to microfinance organizations. In 2000, the Asian Development Bank will begin implementing a substantial loan program that will provide funding, as well as technical assistance and training, to the National Bank of Cambodia and the Rural Development Bank, in support of the development of the microfinance sector. Donor cooperation, which has been good, has continued to improve during the past year.

Principal Contractors, Grantees or Agencies: Current partners receiving USAID/Cambodia funding include the Association of Cambodian Local Economic Development Agencies, Catholic Relief Services, and World Relief. Other selected microfinance organizations may also receive funding during the life of this program to support their organization's transformation into a licensed MFI.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Growth in the number of clients	-- 87,787	3.2% 90,601	20%	25%
Growth in outstanding loan balances ($ million)	-- (4.76)	7.1% (5.10)	20%	25%
Index of enabling environment	5	7	8	9

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Cambodia			
Title and Number: Strengthened Democratic Processes & Respect for Human Rights, 442-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	3,000 DA	3,000 DA	0 DA
	0 CSD	0 CSD	0 CSD
	43,080 ESF	32,049 ESF	11,031 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	5,000 ESF	6,118 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	3,000 DA	3,000 DA	0 DA
	0 CSD	0 CSD	0 CSD
	48,080 ESF	38,167 ESF	9,913 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	500 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	4,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**500 DA**		
	0 CSD		
	4,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	3,500 DA
	0 CSD	0 CSD	0 CSD
	8,000 ESF	0 ESF	60,080 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Cambodia			
Title and Number: Improved Reproductive and Child Health, 442-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	6,454 DA	6,171 DA	283 DA
	0 CSD	0 CSD	0 CSD
	16,213 ESF	4,522 ESF	11,691 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	41 DA	
	1,075 CSD	0 CSD	
	3,999 ESF	9,679 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	6,454 DA	6,212 DA	242 DA
	1,075 CSD	0 CSD	1,075 CSD
	20,212 ESF	14,201 ESF	6,011 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	2,700 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	1,500 CSD		
	4,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**2,700 DA**		
	1,500 CSD		
	4,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	9,154 DA
	0 CSD	0 CSD	2,575 CSD
	7,000 ESF	0 ESF	31,212 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Cambodia			
Title and Number: Enhanced Assistance for War and Mine Victims, 442-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	3,317 DA	2,343 DA	974 DA
	250 CSD	0 CSD	250 CSD
	6,791 ESF	2,565 ESF	4,226 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,000 DA	732 DA	
	0 CSD	0 CSD	
	1,000 ESF	2,544 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	4,317 DA	3,075 DA	1,242 DA
	250 CSD	0 CSD	250 CSD
	7,791 ESF	5,109 ESF	2,682 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	1,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	1,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	4,317 DA
	0 CSD	0 CSD	250 CSD
	1,500 ESF	0 ESF	10,291 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Cambodia			
Title and Number: Reduced Transmission of STIs and HIV/AIDS in High Risk Populations, 442-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	1,800 DA	585 DA	1,215 DA
	0 CSD	0 CSD	0 CSD
	2,588 ESF	1,000 ESF	1,588 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	581 DA	
	2,525 CSD	0 CSD	
	0 ESF	500 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	1,800 DA	1,166 DA	634 DA
	2,525 CSD	0 CSD	2,525 CSD
	2,588 ESF	1,500 ESF	1,088 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	2,050 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	2,050 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	1,800 DA
	0 CSD	0 CSD	4,575 CSD
	2,500 ESF	0 ESF	5,088 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Cambodia			
Title and Number: Expanded Access to Sustainable Financial Services, 442-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	150 DA	0 DA	150 DA
	0 CSD	0 CSD	0 CSD
	1,973 ESF	809 ESF	1,164 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	40 DA	
	0 CSD	0 CSD	
	0 ESF	114 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	150 DA	40 DA	110 DA
	0 CSD	0 CSD	0 CSD
	1,973 ESF	923 ESF	1,050 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	1,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	1,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	150 DA
	0 CSD	0 CSD	0 CSD
	1,000 ESF	0 ESF	3,973 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Cambodia

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	250	800	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	250	3,600	3,550	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	16,009	10,000	10,000	20,000
P.L. 480 Title II	0	0	6,986	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**16,509**	**14,400**	**20,536**	**20,000**
Operating Expenses	2,823	2,725	2,800	3,250
Trust Funds	0	0	0	0
Total Operating Costs	**2,823**	**2,725**	**2,800**	**3,250**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	7	5	7	7
Other U.S. Citizen	2	1	0	0
FSN/TCN	54	50	47	47

Subtotal OE Funded	**63**	**56**	**54**	**54**
Program Funded*				
U.S. Citizen	2	1	2	2
FSN/TCN	1	2	6	6
Subtotal Program Funded	**3**	**3**	**8**	**8**
Other				
TAACS	0	0	0	0
Fellows	1	1	1	1
IDIs/NEPs	0	0	0	0
Subtotal Other	**1**	**1**	**1**	**1**
Total Work Force	**67**	**60**	**63**	**63**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
442-001 Strengthened Democratic Processes & Respect for Human Rights							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	8,000	0	0	8,000
- P.L. 480/II	0	0	0	0	0	0	0
442-002 Improved Reproductive and Child Health							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	7,000	0	0	0	0	7,000
- P.L. 480/II	0	0	0	0	0	0	0
442-004 Enhanced Assistance for War and Mine Victims							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0

- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	1,500	1,500
- P.L. 480/II	0	0	0	0	0	0	0
442-005 Reduced Transmission of STIs & HIV/AIDS in High Risk Populations							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	2,500	0	0	0	0	2,500
- P.L. 480/II	0	0	0	0	0	0	0
442-007 Expanded Access to Sustainable Financial Services							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	1,000	0	0	0	0	0	1,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	1,000	9,500	0	8,000	0	1,500	20,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Willard J. Pearson

The United States Agency for International Development

CHINA

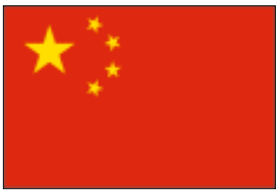
Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction



China plays a key role in East Asia regional security and, through its permanent membership in the United Nations Security Council and arms sales, in the security of other regions as well. Cooperation between the United States and China is vital to regional security, prosperity and peace. The stakes in our relations with China, the world's most populous nation, cover the broad range of U.S. national interests, including fundamental U.S. national security concerns.

The Development Challenges

The United States maintains principled and purposeful engagement with the People's Republic of China (PRC). Since the United States - China dialogue began, there have been important gains in a number of critical areas, although differences remain. The Chinese government does not share core American values on human rights, religious freedom and democracy. The United States and China continue to view Taiwan and Tibet from widely different perspectives. We believe that the way to narrow these differences, and to take advantage of the many areas where U.S. and Chinese interests coincide, is through regular contacts and dialogue. The United States is pursuing human rights and other goals in a strategic context as one element in a broad bilateral dialogue. There is no U.S. Agency for International Development (USAID) presence in the PRC.

Other Donors

Congressional earmarks for China will involve grants by the U. S. Department of State to non-governmental organizations (NGOs), which may include the National Endowment for Democracy (NED) and the International Republican Institute (IRI), among others. In August 1999, the United States provided $500,000 of USAID emergency funds to aid in relief efforts following major flooding along the Yangtze River. Funding was provided in response to an appeal by the International Federation of Red Cross and Red Crescent Societies.

The United States Agency for International Development

China

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The FY 1999 Appropriations Act provided legislative authority to use Economic Support Funds (ESF) for the general support of NGOs located outside China to foster democracy in China. Funding was also authorized for a broad range of internal and external activities, including, but not limited to, legislative reforms and the training and education of Tibetans. Under the FY 2000 appropriations Act, $1 million has been earmarked to the Robert F. Kennedy Memorial Center for Human Rights to disseminate information and support research about the People's Republic of China and related activities. The Act also allows for funding for the National Endowment for Democracy (NED) for the continuation of a program promoting democratic village elections and for related activities. These programs will be notified and discussed in more detail by the Department of State.

In addition, $1 million has been earmarked to support activities that preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities. None of the funds will be used for direct assistance to the Government of the People's Republic of China. Specific modalities for the use of earmarked funds remain under discussion within the Department of State.

For FY 2001, $28 million in ESF is being requested to pay for damages to the Chinese Embassy in Belgrade.

ACTIVITY DATA SHEET

PROGRAM: China
TITLE AND NUMBER: Tibetan Community Support, 484-001
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The Tibetan earmark for FY 2000 requires that a minimum of $1,000,000 of Economic Support Funds "be made available to nongovernmental organizations located outside the People's Republic of China to support activities which preserve cultural traditions and promote sustainable development and environmental conservation in Tibetan communities in that country."

The purpose of this activity is to help Tibetan communities preserve their cultural traditions, promote sustainable development and conserve the environment. This can be achieved through NGOs located outside of China that can provide the Tibetan communities with access to financial, technical, marketing, environmental and educational resources they need for equitable and sustainable development.

Key Results: Currently there is no strategy or key results identified for China. But the activity is consistent with overall US objectives to bring China's human rights practices up to international standards.

Performance and Prospects: This is a new earmark for FY 2000 and as noted above, neither the strategy nor the

accompanying indicators have been developed. Over the coming year USAID and State will work on the design of the activity and review proposals from qualifying nongovernmental organizations to implement the program.

Possible Adjustments to Plans: None.

Other Donor Programs: This activity operates independently of the host government, and it is not yet known what other donors might be involved. As the design process progresses we will assess other donor activity with Tibet and look for opportunities for collaboration where appropriate.

Principal Contractors, Grantees, or Agencies: Nongovernmental organizations located outside of China, such as the Bridge Fund.

Selected Performance Indicators: None.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: China
TITLE AND NUMBER: Chinese Embassy Settlement, 484-002
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $28,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: On December 16, 1999 the United States and China completed negotiations stemming from the tragic mistaken bombing of the Chinese Embassy in Belgrade. In accordance with the agreement, the United States will "seek funding in Congress so that we can provide $28 million for damages to the Chinese Embassy in Belgrade. The Chinese agreed to pay for the damage to U. S. facilities in China in the amount of $2.87 million." These figures reflect what both sides see as a fair payment for property damage based on an exhaustive review.

This constitutes a request for the $28 million.

Key Results: N/A

Performance and Prospects: N/A

Possible Adjustments to Plans: N/A

Other Donor Programs: N/A

Principal Contractors, Grantees, or Agencies: N/A

Selected Performance Indicators: N/A

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: China			
Title and Number: Tibetan Community Support, 484-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	1,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	1,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**1,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: China			
Title and Number: Chinese Embassy Settlement, 484-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	28,000 ESF	**0** ESF	**28,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

The United States Agency for International Development

China

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	1,000	28,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**0**	**0**	**1,000**	**28,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0

Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
484-002, Chinese Embassy Settlement							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	28,000	28,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	28,000	28,000
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

EAST TIMOR

Development Challenge

Other Donors

USAID Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

On August 30, 1999, the East Timorese voted overwhelmingly in favor of independence from Indonesia. In the wake of the vote, pro-integrationist Timorese militia supported by elements of Indonesia's military unleashed a devastating campaign of terror and violence. More than 70% of East Timor's housing, public buildings and essential utilities were destroyed. Some three-quarters of the East Timorese population were displaced, with more than 250,000 fleeing the violence on their own volition and many others forcibly driven across the border to camps in West Timor by the militia. Although some 150,000 displaced persons have returned, approximately 100,000 still remain outside East Timor. The exodus of people from East Timor included thousands of former Indonesian civilian officials, resulting in the collapse of all vestiges of government, public services and law and order. Left behind was a population with limited education, a heavily damaged physical infrastructure, a shattered economy and no indigenous institutions remotely capable of providing self-governance.

U.S. efforts will focus on building democratic institutions and creating an economy based on free market principles. Pursuing nation building objectives in East Timor along with continued support for democratic reforms inside Indonesia offers the greatest hope for stability in the region.

The Development Challenge

East Timor is primarily an agricultural economy, with coffee as its only significant export. Approximately 90% of the population lives in rural areas. The territory ranks as one of the poorest areas in Southeast Asia, with an estimated gross domestic product (GDP) per capita of $431 (1996) and with 30% of households living below the poverty line. Prior to the referendum, East Timor was heavily dependent on external transfers, with approximately 85% of recurrent and capital expenditure coming from Indonesia. Although officially recorded investment per capita ran at approximately double the Indonesian average historically, Timorese access to economic infrastructure and basic social services was lower than in any other Indonesian province.

Anti-independence militia destroyed most of the country's schools, hospitals, water, power, transport and communications facilities. This destruction will probably reduce GDP for 1999 by 40-45%. To compound its problems, East Timor has no central bank, no currency of its own, no functioning civil service, and no official language. The prospect of its becoming self-sufficient in the near term is bleak. Predictions of an economically self-sufficient and democratically self-governing East Timor in three to five years appear to be extremely optimistic. Sustainable development in East Timor depends, in large part, on how quickly and effectively the conditions for stable economic growth are established, the extent to which East Timorese are involved in decisions about their country's future and their capacity to engage effectively in such decision-making.

While there are many significant challenges to creating a sustainable East Timor, the first priority is getting East Timorese citizens into productive economic activities and then building a sustainable polity. Prolonged humanitarian

support can create aid dependencies. An overwhelming presence of affluent expatriates and East Timorese migrating from rural areas to Dili for the few jobs available in the capital will only deepen the social distortions that have already emerged. Add to this the fact that the vote for democracy created high expectations for a better life. If East Timor is to achieve and maintain stability, making good on these expectations is essential.

In the absence of a government, East Timorese civil society organizations will need to play a significant role in helping restore economic activity and social and political stability. However, East Timor has little in the way of civil society. Civil society was never encouraged during the 25 years of Indonesian rule, nor during the 400 preceding years of Portuguese administration. In the destructive rampage following the referendum, East Timor's media and non-governmental organizations (NGOs) were specifically targeted. Most saw their meager resources and offices completely destroyed. Civil society leaders were either killed or forced to flee. While church organizations seemed to have fared better than non-religious organizations, many of them have been crippled as well. Reviving and strengthening indigenous civil society organizations to take on active roles in rebuilding East Timor will be an important element of future development efforts.

Other Donors

Nearly 200 delegates from over 50 countries and international agencies met in Tokyo in December 1999 and pledged $522 million in bilateral and multilateral development and humanitarian assistance over the next three years. Japan pledged $129 million, Portugal pledged $91.6 million, the European Community pledged $70 million and Australia pledged $44.5 million. A significant portion of the assistance will be programmed through a World Bank administered trust fund and a second trust fund administered by the United Nations Transitional Administration in East Timor (UNTAET). The multilateral and bilateral assistance will be aimed at rebuilding East Timor and smoothing its transition to independence.

The reconstruction trust fund administered by the World Bank, partnering with the Asian Development Bank (ADB), will assist in the preparation, appraisal, and supervision of development projects. The UNTAET Trust Fund, which will be administered in conjunction with a newly established consultative council of East Timorese representatives, will be used for the costs of governing the territory in the absence of an elected government and to begin capacity building for East Timorese individuals who will be involved in various governance roles in preparation for independence. Significant attention to donor coordination and consultation with East Timorese political leadership will be required to ensure the various donor interventions are used most effectively to meet East Timor's vast needs.

The United States Agency for International Development

East Timor

USAID Program Description and Activity Data Sheets

USAID Program

USAID's goals during the critical initial phase of East Timor's recovery and reconstruction are to:

(1) quickly restore and expand productive economic activity and exports in the coffee sector;
(2) enable key indigenous civil society organizations to participate as equal partners in relief, reconstruction, and nation building activities in East Timor;
(3) support community-led reconstruction, development, and employment projects; and
(4) help build the foundation for stable democratic development through efforts such as development or revival of independent media outlets; and demobilization and reintegration of pro-independence militia.

In the initial phases of East Timor's recovery and reconstruction, the East Timorese expressed their displeasure with being excluded from decision-making about the planning for the territory's future. USAID's Office of Transition Initiatives (OTI) stepped in with a series of small grants to East Timorese organizations, including liaison units, human rights groups and other local NGOs, that enabled these organizations to restart their operations and begin to engage directly with foreign donors on reconstruction and development issues.

Now the highest priority in this transition phase is to help the East Timorese revive productive economic activity and begin to rebuild their economy and communities. These are areas in which USAID's resources will be concentrated. In partnership with broader employment programs of other donors, OTI will provide quick impact assistance that will help spur the creation of much-needed employment opportunities, such as a small grant to a vocational school to restart it operations. In addition, USAID will continue its support for the National Cooperative Business Association (NCBA). The re-launch of the successful coffee cooperative project, and its gradual expansion form 17,000 to 40,000 farm families, will be an important step in spurring East Timor's economic recovery. Coffee is one of the few cash crops and foreign exchange earners in East Timor and represents the primary source of income for a large number of small farmers. In addition to coffee production, NCBA is planning to establish a finance project for small business, business training, and a retail cooperative. It is also rebuilding its health program, reestablishing three rural clinics and laying the groundwork for an expansion to include three more. Taken together, the health program will enable NCBA to provide immunizations, public health, family planning services, and outpatient health care to families living in the coffee production areas.

In the absence of a civil administration (other than the United Nations Transitional Administration in East Timor, UNTAET), local communities in East Timor will have to assume greater responsibility in the recovery and development of their communities. Through USAID's Office of Transition Initiatives (OTI), support will be provided for community-led empowerment and development projects in East Timor. Through these projects, communities are integrally involved in prioritizing their needs, participating in decision-making to allocate donor resources to meet those needs, as well as the actual implementation of projects funded. These programs also foster participatory processes and democratic principles at the community level and offer opportunity for new, grass roots political leaders to emerge. Other donors such as the World Bank and UN plan to undertake similar programs in this sector. OTI's "jump start" activities would then feed into longer term initiatives of these other donors who need a much longer lead time for start-up.

Although the priority for USAID assistance is economic and community revival, USAID, through OTI, will consider providing selective support to help build the foundation for stable democratic development through efforts such as development or revival of independent media outlets and demobilization and reintegration of pro-independence militia.

At this stage of East Timor's recovery and reconstruction, it is impossible to predict the pace or success of change. Consensus on future directions for the new nation must be built among players who, in the past, may have been on

different sides of the independence issue. Donor assistance is notoriously slow to move, yet East Timor's recovery is heavily dependent on speedy and effective mobilization of such assistance. And last but not least, militia activity and resolution of refugee issues continue to pose major threats to recovery, stability and development of East Timor. Because of the high degree of uncertainty introduced by these factors, USAID's programs and plans will remain focused yet flexible in order to ensure our assistance remains relevant as East Timor's needs evolve.

ACTIVITY DATA SHEET

PROGRAM: East Timor
TITLE AND NUMBER: Revitalization of the Local Economy - 472-001
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $18,100,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $10,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: East Timor, a small mountainous territory, has long been one of the poorest regions in Southeast Asia. The economy is primarily agricultural, contributing the largest share to GDP, employing almost three quarters of the workforce, providing more than 70% of the population with their main sources of livelihood and offering the greatest potential for exports and trade. East Timor's rugged erosion-prone terrain, poor soils, and varying (often-unpredictable) rainfall have always presented challenges to agriculture. Approximately 30% of households live below the poverty line, life expectancy is 56 years, and only two out of five people are literate.

While humanitarian assistance is indispensable in the short-term to mitigate the hardships and facilitate the reintegration of persons displaced in the aftermath of the post-referendum campaign of terror and violence, it is important to move beyond relief to restarting economic activities. Restarting economic activity will help avoid dependency on donor programs and focus societal efforts on reconstruction rather than on past conflicts.

Since the Portuguese presence in East Timor, coffee has been the main income earner for farmers. Through the end of FY 1999, the National Cooperative Business Association (NCBA), working closely with some 17,000 coffee farmers (roughly 10% of the population) established a cooperative network of small-scale coffee-growing families (more than 100,000 persons) producing specialty coffees for export. Since 1994, this program which includes production training and extension services as well as the development of processing, transport and warehousing facilities, has become the area's largest single non-governmental agriculturally based income-generating activity. From the outset, program field staff reported the poor health conditions of the rural population and cited the lack of health care and health maintenance services as serious impediments to sustainable development. As a result, in July 1998 USAID provided additional funding for NCBA to initiate the "Health Maintenance and Health Care (HMHC) in East Timor" activity.

HMHC has begun to provide basic health services to the rapidly growing number of coffee producing families affiliated with the NCBA's Indonesia Enterprise and Trade and Development Project (IETDP). By meeting a minimum delivery level of coffee cherry to the program's processing enterprises, the costs for health services are covered through a deduction from a small percentage of the margins paid to farmers on their coffee sales. Coffee farmers and their families are then eligible to access health services, including prenatal care, well-baby check-ups and vaccines, deliveries attended by trained health care providers, micronutrient supplementation for pregnant women and newborns, and treatment for malaria and tuberculosis.

During the devastating events of August and September 1999, coffee producers were killed and thousands of participating families were forced to flee their villages and their homes burned, resulting in a temporary suspension of the NCBA program. The NCBA/IETDP program has begun to rebuild and continues to represent the single most important means of providing immediate assistance and income-generating opportunities to a large portion of East Timor's farm families.

The second prong of USAID's efforts to revitalize economic activity in East Timor will be through a community-led empowerment and development program. In the absence of a civil administration (other than the United Nations Transitional Administration in East Timor, UNTAET), local communities in East Timor will have to assume greater responsibility in the recovery and development of their communities. Through USAID's Office of Transition Initiatives (OTI), support will be provided for community-led empowerment and development projects in East Timor. Through these projects, communities are integrally involved in prioritizing their needs, participating in decision-making to allocate donor

resources to meet those needs; as well as the actual implementation of projects funded. These programs also foster participatory processes and democratic principles at the community level and offer the opportunity for new, grass roots political leaders to emerge. Other donors such as the World Bank and UN plan to undertake similar programs in this sector. OTI's "jump start" activities would then feed into longer term initiatives of these other donors who need a much longer lead time for start-up.

Key Results: The NCBA project will be expanded to include an additional 5,000 farmers each year. The maximum number of coffee farmers, which could be reached by the project, would be close to 40,000. Assuming some 20,000 people involved seasonally in the coffee trade, a total of over 240,000 people will benefit from the expanded project.

Performance and Prospects: This strategic objective will stimulate economic growth. Coffee exports, which earn dollar revenues, accounted for half of agricultural revenues prior to the conflict. Production, primarily of a high quality Arabica hybrid variety organically grown in the upland areas of central East Timor, increased substantially and became a major income earner for smallholders. Coffee is one of the few cash crops and foreign exchange earners in East Timor and represents the primary source of income for a large number of small farmers. From the smallholder producer level through the intermediary and final crop processing and storage levels, the coffee sector has survived nearly intact. The violence that occurred after the harvest did not affect the basic production regimen employed by East Timor's small holders.

Rehabilitation and expansion of the successful coffee cooperative project has already begun. NCBA has integrated business education and training into its project by providing apprenticeships and starting a business school that provides a three-year Bachelor of Arts program in business, accommodating 400 students. While coffee represents the only viable commercial operation at this time, it is recognized that diversity is a must if the economy is to grow. The business school will contribute to the strengthening of the capacity of small entrepreneurs to speed East Timor's economic recovery. Through purchasing cooperatives, NCBA will provide credit and training for small-scale and micro-entrepreneurs.

The coffee project integrates community health maintenance and health care services into other facets of the project. Eventually to provide basic health services to 17,000 families participating in coffee cooperatives, the program has already established three clinics in rural coffee-growing areas. It expects to set up three more in the next year. These were also the first health clinics that charged for services, an important example for future sustainable health programs in East Timor.

Possible Adjustments to Plans: The fragility of the operating environment for development and possibility of instability in the near-term might slow project progress.

Other Donor Programs: In December 1999, over 50 countries and international agencies met in Tokyo and pledged $522 million in bilateral and multilateral development and humanitarian assistance over the next three years. Donors agreed to contribute to two trust funds - a World Bank-administered trust fund for reconstruction projects in all sectors and a second trust fund administered by the United Nations Transitional Administration in East Timor (UNTAET) for the costs of governance and projects that will build the capacity of the East Timorese to play a lead role in governance and guiding the future direction of the new nation. Decisions regarding the use of both trust funds will be undertaken in collaboration with a newly established consultative council of East Timorese representatives. The trust funds are supplemented by bilaterally funded activities in various sectors. Concerted attention to donor coordination will be essential for effective utilization of assistance to address East Timor's vast development needs.

Principal Contractors, Grantees or Agencies: USAID will work primarily with the National Cooperative Business Association and local private voluntary organizations (PVOs) and contractors to implement activities in support of this strategic objective.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Number of farmers employed by NCBA	17,000	22,000	27,000
Number of health clinics established	3	5	6
Number of retail outlets established by small-scale enterprises	0	75	150

Development of a more comprehensive performance monitoring plan will be an integral part of design efforts for new activities.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: East Timor
TITLE AND NUMBER: Selected Development Needs Addressed, 472-002
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $6,900,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: East Timor faces a very serious challenge. At issue is not only the massive physical destruction but the social trauma wreaked after the ballot. East Timor lacks the institutional capacity necessary for a nation state. Major investments and reform programs are needed. This Special Objective is comprised of selected activities that support the reconstruction effort of East Timor and compliment the mainstream activities of the primary USAID program.

Given the vast reconstruction and development needs to build a sustainable nation state in East Timor, it is crucial for donor assistance to work together in a coordinated and comprehensive manner to tackle these needs. The Joint Assessment Mission (JAM) to East Timor, coordinated by the World Bank, was endorsed at a meeting of donors, UN agencies and East Timorese representatives in September 1999. Early deployment of the mission was driven by lessons of other post-conflict countries, where the lack of coordination between relief and development planning delayed the transition from emergency relief to more sustainable development support. The JAM identified priority short-term reconstruction initiatives and provided estimates of external financing needs. Among its recommendations was the establishment of two trust funds to facilitate a coordinated donor approach to supporting East Timor's recovery and reconstruction.

The World Bank administered trust fund will finance reconstruction activities in economic management, health, education, community empowerment, agriculture, and infrastructure. UNTAET and East Timorese representatives will be responsible for prioritizing, approving, and implementing projects. A second trust fund, focused on governance and capacity-building, will be administered by UNTAET. This trust fund will be used to ensure that basic public services continue and that East Timorese develop the skills to provide them. Most of the trust fund will be used to directly benefit East Timorese by paying salaries for public workers, most of them teachers and health care workers. UNTAET will also use the funds for democracy and governance projects. In supporting both trust funds, the U.S. Government will help strengthen overall coordination of the international reconstruction effort in East Timor. A high degree of donor coordination is vitally important to reducing duplication of effort and gaps between projects and for facilitating the involvement of East Timor's leadership in the decision-making regarding uses of donor funds.

In addition to the U.S. Government's contribution to the above trust funds, the Department of State will provide assistance in judicial training, institution building, and promotion of the rule of law. At present, there are only five certified lawyers in East Timor, and only 60 people with any minimal legal training. Assistance would include training of judges and prosecutors, help in revising the legal code, and assistance in thinking through the judiciary's role within the governmental structure as an independent arm of the government.

There is also an urgent need for human rights training and forensic assistance. The East Timorese who are responsible for investigating and documenting past human rights abuses lack a basic understanding of how to conduct such investigations, have little access to forensic expertise and possess little to none of the specialized equipment. In addition to financing the foregoing, the Department of State will assist the East Timorese to monitor current human rights abuses, e.g., establishment of a human rights ombudsperson, and to prevent future ones.

Key Results: The Department of State will develop a performance monitoring plan that will establish key results anticipated under this strategic objective.

Possible Adjustments: None.

Other Donor Programs: In December 1999, over 50 countries and international agencies met in Tokyo and pledged $522 million in bilateral and multilateral development and humanitarian assistance over the next three years. Donors agreed to contribute to two trust funds - a World Bank-administered trust fund for reconstruction projects in all sectors and a second trust fund administered by the United Nations Transitional Administration in East Timor (UNTAET) for the costs of governance and projects that will build the capacity of the East Timorese to play a lead role in governance and guiding the future direction of the new nation. Decisions regarding the use of both trust funds will be undertaken in collaboration with a newly established consultative council of East Timorese representatives. The trust funds are supplemented by bilaterally-funded activities in various sectors. Concerted attention to donor coordination will be essential for effective utilization of assistance to address East Timor's vast development needs.

Principle Contractors, Grantees, or Agencies: UNTAET, World Bank, the Asian Development Bank

Selected Performance Measures: The Department of State will develop indicators for, and report on, forensics and human rights assistance, judicial training and rule of law. When plans for utilization of the UNTAET and World Bank trust funds have solidified, the Department of State will submit a separate Congressional Notification providing a full description of this program, indicators, benchmarks, and targets.

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: East Timor			
Title and Number: Revitalization of Local Economy, 472-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	18,100 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	18,100 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	10,000 ESF	**0** ESF	**28,100** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: East Timor			
Title and Number: Selected Development Needs Addressed, 472-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	6,900 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	6,900 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**6,900** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

The United States Agency for International Development

East Timor

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	25,000	10,000
P.L. 480 Title II	0	0	4,320	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**0**	**0**	**29,320**	**10,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Note: East Timor was part of Indonesia in FY 1998 and FY 1999. Funding was included in the Indonesia CP.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0

FSN/TCN	0	0	0	0
Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
472-001 - Revitalization of Local Economy							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	10,000	0	0		0	0	10,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	10,000	0	0	0	0	0	10,000
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

EGYPT

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Egypt plays a pivotal role in U.S. foreign policy in the Middle East. In the past year, there have been significant developments in the Peace Process and a stable Egypt continues to be vital to the advancement of U.S. goals in the region. Egypt's continued stability depends on increasing the prosperity and quality of life of its people. To accomplish this, Egypt must become a fully integrated, competitive participant in the global economy. This alone will generate sufficient jobs to employ its population and raise incomes.

The Mission Performance Plan (MPP) for Egypt emphasizes economic growth and development as essential to achieving the foreign policy goal of a stable and prosperous ally in the Middle East. To contribute to this MPP goal, a major portion of USAID assistance is directed at creating an economic policy environment to foster private sector growth and investment. USAID is also working towards assuring that Egypt's population is healthy and adequately educated to become a viable workforce in the 21st century.

The Development Challenge

During the past decade, Egypt has made significant economic progress. Egypt has strengthened its macroeconomic discipline, privatized many public sector investments, and now has entered the ranks of emerging economies with annual gross domestic product (GDP) growth exceeding 5%, low inflation, high reserves, and per capita income of nearly $1300 a year. Nonetheless, challenges remain to Egypt's full participation in the global economy, an essential next step in the country's development. Despite respectable levels of growth and good performance on a number of macro indicators, Egypt has not succeeded in reducing poverty. The Government of Egypt (GOE) has recognized this issue and is giving increased attention to addressing key social development concerns. There also has been the recognition that improved service delivery of all types depends upon public-private partnerships (including those that involve non-government organizations), which will provide opportunities for enhancing citizen participation and improving the quality of governance.

Over the past year, USAID/Egypt has developed a new strategy to support Egypt's development. The strategy, reviewed and approved in January 2000, will focus on creating an environment to encourage trade and investment and support Egypt's continued greater integration into the global economy. Since Egypt will need to create 700,000 jobs annually just to absorb new entrants into the labor force, USAID will support activities to enhance human resource development and create jobs. However, this growth will be unsustainable if it is at the expense of the disadvantaged and the environment. Consequently, the Mission will work to improve opportunities for the disadvantaged and continue to promote rational environmental management and programs to improve the quality of life for all Egyptians.

Last year, Egypt's growth rate of real gross domestic product (GDP) reached 6%, exceeding Mission projections (the Mission had estimated that this would be achieved by 2001). The private sector share of GDP increased from 63% in 1996 to over 70% this year. The GOE continued to privatize state-owned enterprises, privatizing over 30 firms, and

completed major macro policy reforms in 1999. As a result of the GOE's continued liberalization of agriculture, cotton exports exceeded 100 million kilograms. The Mission continued its support to the horticultural exporters of Egypt, with grape exports, for example, increasing by 40% and strawberry exports doubling in the past year. Progress on many other policy fronts remained slow but steady and the Mission expects this trend to continue.

As a result of successful USAID initiatives in the power sector, more than 97% of the Egyptian population now has electricity and the Egyptian Electricity Authority has started to export a small amount of power to Jordan. USAID is helping Egypt re-engineer the telecommunications provider to prepare it for partial privatization of local telephone service in calendar year (CY) 2000. Some services are already privatized, including cellular phones and internet service providers. The challenge is to continue to encourage the trend towards privatization of infrastructure.

Egypt's economic development continues to have an impact on the environment (Cairo in particular suffers from serious air pollution), but there has been limited progress. USAID has provided assistance to implement programs to reduce air pollution. Greater Cairo's first vehicle emission testing (VET) station was constructed with USAID assistance and over 25,000 vehicles have gone through on-the-road testing. The Mission also promoted the use of Compressed Natural Gas (CNG) as a cleaner alternative to gasoline and all mini-buses in Cairo are now required to be CNG-fueled in order to renew licenses and registration. Starting this year, all imported vehicles must have catalytic converters and 85% of gasoline is now unleaded. USAID also supported activities to conserve Egypt's cultural and natural heritage, an important tourist magnet and generator of foreign exchange. As a result of our activities in coral reef conservation, over the last three year period in the most heavily dived areas of the Red Sea coast (Hurghada and Safaga), previously damaged coral is now re-growing and new damage has been significantly reduced.

Ensuring that Egypt's population is healthy, and does not exceed its scarce resource base, is an important USAID program goal. There has been substantial progress in this sector though much remains to be done. In 1998, contraceptive prevalence reached 52%, double the 1980 rate, but the average Egyptian woman in 1998 still had 3.4 children. Infant and under-five child mortality rates declined substantially and average child immunization coverage rates exceed 90%. However, maternal mortality remains unacceptably high and emerging infectious diseases are not well controlled (Egypt has the highest known prevalence of hepatitis C worldwide). Regional disparities between Upper and Lower Egypt, and rural and urban areas continue. Chronic malnutrition of children has not declined over the last decade.

Girls' access to education remains an acute problem that warrants reform of the basic education system. Female literacy, at only 40.5%, compares unfavorably to the 64.7% male literacy and an estimated 1.6 million school-aged girls are not currently enrolled in school. Beginning in CY 2000, to increase access to quality primary education, USAID will finance school construction and renovations as well as activities to improve teacher and student performance. USAID will also fund a "second chance" program to address the basic literacy needs of older girls who are illiterate. To break the cycle of illiteracy, because high dropout rates are attributable to uneducated parents and their children's inadequate school readiness, USAID has sponsored an Egyptian version of "Sesame Street," to premiere in early 2000. In fiscal year (FY) 2001 USAID expects that the GOE will request other education system interventions.

Other Donors

Egypt continues to receive large amounts of bilateral and multilateral aid. At least 38 donors work in Egypt although the United States remains the largest single donor with the most comprehensive program. Other major donors include Canada, France, Germany, the Netherlands, the Nordic countries, Japan, South Korea, the European Union, the World Bank, the United Nations Development Program, the Arab and Kuwait Funds and the African Development Bank. A very active donor assistance group meets monthly to discuss coordination and related issues.

The United States Agency for International Development

Egypt

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID requests $695,000,000 of economic support funds to support these Agency priorities: $487 million economic growth and agriculture, $49 million population and health, $90 million environment, $17 million democracy, and $52 million human capacity development.

The $487 million for economic growth and agriculture will continue to increase Egypt's attractiveness for increased trade and investment, to allow business to operate more competitively and to generate more opportunities for business to expand. To achieve these results, USAID will use the cash transfer program to focus on policy obstacles. It will provide technical assistance to accelerate privatization, implement investor friendly tax systems, fortify capital markets, improve market information, and improve the legal and regulatory environment. USAID will use the private sector commodity import program and the small and micro-enterprise program to expand business opportunities, especially for disadvantaged groups. USAID will also work with the private sector, with a more focused assistance to the GOE, to improve competitiveness through developing workforce skills, workforce training and management skills, with a special focus on selected industries (initially tourism, information technology and horticultural exports). While almost completing the capital investments in power, telecommunications and water and wastewater, USAID will increase its attention on the legal and regulatory environment which is necessary to attract increased private sector participation and ensure that USAID investments are sustained through cost recovery.

The $49 million for population and health will be used to improve the environment for private sector participation in the two sectors, to increase the quality and range of family planning services, to focus public sector service delivery on a more targeted clientele while consolidating and improving capacity, to expand the capacity and role of non-governmental organizations (NGOs), to integrate service delivery of family planning and health, to increase client satisfaction, and ensure sustainability. USAID will use a combination of a sector cash transfer program, technical assistance, grants to NGOs, and active dialogue to implement these activities.

The $90 million for environment will strengthen the ability of Egyptians partners to identify and undertake policy reforms to improve management of the environment, to create more public awareness and willingness to help improve the environment by changing behaviors and voluntary compliance with existing laws and regulations, and to increase citizen participation in determining environmental policy, laws and regulations. Because the poor and marginal urban and rural populations, especially women and children, disproportionately suffer from pollution, USAID will include a specific focus on these target groups. This assistance will be provided through a combination of a sector cash transfer program, technical assistance, policy dialogue, technology transfer, and human resource development.

In addition to the human capacity development included in other parts of the program, the $52 million for human capacity development will continue to expand access to basic education for girls (and boys) through the New Schools Program, to develop alternative models of basic education for girls who have not had access to school, to deepen and expand the English Language program, to develop "master teachers" who will transfer modern teaching methods, to strengthen school-to-work programs, to support an Egyptian "Sesame Street" to better prepare children for the school system, to improve literacy and numeracy programs, to promote greater community and private sector involvement in decision-making about education, and to improve the responsiveness to private sector needs by secondary and vocational schools. This assistance will be provided through policy dialogue, technical assistance, and grants to NGOs.

The $17 million for democracy programs will work with the entire USAID program and its partners to increase stakeholder participation in public decision-making, to strengthen NGO capacity to provide quality services and advocacy,

and to improve the administration of justice in commercial law through greater efficiency and a better understanding and knowledge of pertinent laws and statutes. This assistance will be provided through grants, technical assistance and policy dialogue.

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Environment for Trade and Investment Strengthened, 263-016
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $484,243,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $501,557,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: Egypt has made tremendous progress over the past ten years. Nonetheless, challenges remain to Egypt's full participation in the global economy. Additional trade and investment is critical to generate jobs and accelerate economic growth, while spreading equitably the benefits of growth. This strategic objective (SO) will focus on improving the environment for trade and investment, which is key to creating private sector jobs. Direct beneficiaries will include private sector firms (including micro-enterprises), private sector workers, and the families of the workers. Special efforts will be made to provide employment and income opportunities to the country's poorest--the four million small farmers, landless laborers and women--who produce and process horticultural and agricultural commodities, and the three million non-agricultural informal sector micro-entrepreneurs.

Key Results: As a result of USAID activities, the private sector grew rapidly and real GDP growth, the broadest measure of Egypt's progress, hit 6%, double the rate of 1994, the initial year of the program. Between 1996 and 1999, the private sector contribution to GDP increased from 63% to 74% as a result of USAID-supported reforms intended to unleash the private sector and the privatization of over 30 firms in 1999, representing more than 10% of all state-owned enterprises. The challenge for the future is to maintain and build upon these outstanding results.

In order to achieve SO 16, Environment for Trade and Investment Strengthened, USAID will focus on improving the policy framework for trade and investment, increasing the competitiveness of the Egyptian private sector, and enhancing opportunities for business growth. USAID will continue to support the development of a strong capital market and a significant reduction in state-owned enterprises. Accelerated privatization, together with the policy reforms supported by the Mission, is expected to contribute to an increase in real output per worker in industry and productive services. In 1998, real output was approximately $7,600 per worker. By calendar year (CY) 2001, output is expected to rise to approximately $8,100 per worker if the USAID-supported GOE reform program is successful.

Performance and Prospects: USAID will continue to support GOE policy reform through the cash transfer Development Support Program (DSP), begun in 1999, which builds upon reforms achieved to date.

USAID will continue to support reform of Egypt's agricultural sector to increase agricultural productivity and income through fiscal year (FY) 2002. Major reforms have been achieved in the last year in the liberalization of cotton, the private sector's role in fertilizer distribution, horticultural exports, water productivity, and employment generation. USAID expects these positive impacts to continue and expand.

To help the Egyptian private sector to increase exports, as a way to insure job creation, SO 16 will provide technical assistance to increase exports in targeted sectors such as livestock, food processing, furniture, leather, and software, which have been identified as having the most growth and job creation potential. USAID activities will also support the adoption of better technology for production, better market information, and the strengthening of Egyptian firms' capacity to market goods abroad, particularly in high-value horticulture commodities. USAID activities have contributed to the excellent growth in 1999 in products such as grape exports, which increased 40%, and strawberry exports, which doubled. In both instances, the export potential is ten times the current volume of exports. USAID's approach to developing skills to expand international marketing and improve management skills has been refined and now forms the basis of the new SO 17, Skills Developed for Competitiveness.

In FY 2001, USAID will design a new activity to support the development of information technology in Egypt. Egypt needs to modernize its approach to information technology if its private sector is to compete effectively in both domestic

and international markets. USAID's activities will focus on facilitating the necessary changes in the legal and regulatory framework, in human capacity development and in technology transfer.

Several successful activities from SO 1 will migrate into SO 16. During FY 1999, USAID's Private Sector Commodity Import Program (CIP) financed 627 commercial transactions totaling $233 million. USAID plans to continue the CIP at $200 million per year with no program changes. Through sale to investors, employees, public offerings and/or sales to anchor investors, the GOE continues to privatize state-owned enterprises. USAID will continue assistance to this GOE program and over the next three years, USAID expects that the GOE will privatize 100 more state-owned enterprises.

In the first year of implementing support to the Egyptian capital markets, USAID has helped improve capital market efficiency and transparency through a series of new reforms, including executive decrees authorizing bond dealers and a settlement guarantee fund to protect the financial integrity of the capital market system. The capital markets development activity will be expanded to further strengthen Egypt's capital market, including meeting the requirement for new financial instruments such as securitized mortgages, and strengthening the human resource and organizational capabilities of partner institutions to issue, trade and regulate these new instruments. USAID will continue to strengthen the legal and regulatory environment to accommodate new instruments and to ensure their efficient, fair and transparent trading in both debt and equity markets. Other activities will include the expansion of automated systems, particularly for the regulatory agencies, and a broader public relations campaign to enhance awareness of the equities market.

In the first three quarters of FY 1999, USAID's Small and Micro-Enterprise Development (SME) activity supported 96,164 new loans valued at $167 million made to 34,389 businesses by NGOs and generating 20,000 new jobs. More than 90% of these borrowers had never obtained credit from formal financial institutions. USAID will continue to support SME development in Egypt as an important, reliable source of new jobs.

In FY 2000, USAID plans an expansion of its support of the Egyptian Center for Economic Studies. Over the past six years, the Center has become an important economic policy institution in Egypt. Recently, the Center and USAID received a Ministerial request to expand the Center's work focusing on formalizing Egypt's informal economic sector from which over 80% of Egypt's population derives most of its livelihood.

The prospects for success under this new SO are good, with the GOE increasingly committed to liberalizing the economy. The current GOE economic team seems even more committed to economic reform than its predecessors, which may result in dramatic improvements in Egypt's policy regime.

Possible Adjustment to Plans: None.

Other Donor Programs: Other major donors involved in economic growth in Egypt include the European Union, the World Bank, and the United Nations. USAID coordinates its policy reform efforts closely with the IMF (present in Egypt in an advisory capacity), the World Bank, the European Union and the other donors. With the GOE, the European Union has set up the Public Enterprise Reform and Privatization Program (PERPP), a five-year program budgeted at 43.0 million Euro dollars. This project complements USAID privatization activities. The World Bank's current portfolio consists of 19 projects with loans of over $1.2 billion. Of these, eight are in agriculture ($534 million, much of which is in irrigation); seven are in the social sectors ($415 million); and, four are in infrastructure and the environment ($251 million). Other donors, including the Japanese, Canadians, and the Germans, are working in agriculture, textiles, exports and trade, small and micro-enterprise lending, education and health. In total, Egypt receives $2-3 billion in foreign grants and loans each year.

Principal Contractors, Grantees or Agencies: Contractors and grantees supporting activities to ensure the achievement of results under this SO include: Nathan Associates, working on trade and regulatory reform; Chemonics International working on economic reform generally and capital market reform specifically; the International Executive Service Corps working to strengthen private sector market institutions; Carana and IBTCI providing assistance for privatization; the National Cooperative Business Association, Agricultural Cooperative Development International and Environmental Quality International assisting small business programs; and RONCO and the Universities of Florida and California (Davis) supporting horticulture technology transfer.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Economic Freedom Index	3.35	3.30	3.25
Elements of Economic Freedom Index for Trade	3.70	3.65	3.55

Real Output per Worker in Industry and Productive Services (in Egyptian pounds)	25,710 (1998)	27,000	27,600
Elements of Economic Freedom Index for Regulation	3.25	3.20	3.15

* Baseline is 1999 unless otherwise shown.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Skills for Competitiveness Developed, 263-017
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $10,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $15,000,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: One of the most critical constraints to the competitiveness of Egyptian companies is the lack of an appropriately skilled workforce. Egyptian managers and workers do not have the skills required for modern competitiveness and new entrants do not come into the workforce with critical thinking and practical skills. One cause of this problem is the educational system's (basic, secondary, vocational, and university) inability to produce the workforce entrants with the necessary minimum skills. Long-term solutions require fundamental reforms to upgrade the quality of instruction, teacher skills, and curricula. However, such reforms will take time to put in place and more time to produce results. President Mubarak, during his July 1999 meeting with Vice President Gore, cited human capacity development as one of Egypt's most pressing needs and asked for U.S. help in this area.

Through this new SO, USAID will target the 50% of Egyptian workers who are literate and workers who are in management or who have management potential. Activities will focus on strengthening both Egyptian private sector management and private sector training providers; encouraging the private sector to budget for training as an investment and not an expense; and ensuring that training institutions provide training based on demand and in growth areas. The intention is to change management attitudes and create an effective dialogue among the private sector firms and between the firms and the training providers to build a cadre of trained personnel who better meet the demands of a globally competitive economy. USAID, with the Egyptian private sector, will also investigate the feasibility of establishing a business school in Egypt that meets standards similar to those of the top 20 business schools in the United States.

USAID will work closely with key Egyptian private sector leaders, NGOs and other institutions that have demonstrated an interest in improving the quality of Egypt's workforce and a commitment to using private sector resources to effect change. This SO is a private sector, demand-driven initiative. The SO seeks to leverage Egyptian private sector co-financing whenever possible.

Key Results: This SO will improve the quality of the Egyptian workforce, allowing Egypt to compete successfully in the global marketplace. At the end of the strategy period, USAID anticipates that this SO will have effected a change in management culture, resulting in Egyptian business leaders and public policy makers employing best business practices in their operations and the development of responsive private sector human resources development initiatives. Egyptian managers will see modern business skills as key to improving productivity and will understand the need both to invest in training for employees and to pay competitive salaries to retain good employees. The current centralized management style found in the majority of Egyptian firms will become outmoded as chief executive officers empower lower-level managers, invest in human resources development at the firm level, and increase the use of knowledge management to effect international competitiveness. Egyptian private sector training providers will be able to provide market responsive training. As a result of USAID support to three industrial clusters (tourism, information technology and agribusiness), selected for their projected creation of jobs, growth potential and past growth record, linkages will be in place that will improve both the capacity of the training providers and the skills of the workforce in these sectors.

Performance and Prospects: USAID will embark on the design of activities under the new SO starting in FY 2000 and FY 2001. These activities will include (1) training to improve the basic business skills of new university graduates, (2) senior executive training for high level private sector and GOE managers, (3) collaboration with business associations in key industrial clusters to improve training in those sectors, (4) Master of Business Administration (MBA) training, and (5) collaboration with the Egyptian private sector to investigate the establishment of an international quality business school

in Egypt. Performance measures are likely to be refined during activity design.

The prospects for successful achievement of results under this new SO are good. The GOE, beginning with the President, identifies human capacity development as one of its highest priorities. Members of the Egyptian Presidents' Council (private sector) have also expressed their support and willingness to co-fund activities in this sector. Given that human capacity development is so widely regarded as an imperative in the next stages of Egyptian economic development and given the continued liberalization of the economy and trade regimes, USAID believes that the timing is right to pursue results in this sector.

Possible Adjustments to Plans: None.

Other Donor Programs: Other donors active in workforce development are the European Union (skills training), Germany (school-to-work, Mubarak-Kohl Initiative), and the World Bank (loans for basic education and secondary education, with technical training and school-to-work training components).

Principal Contractors, Grantees or Agencies: Start-up activities that contributed to the design of this SO have been implemented by Price Waterhouse Coopers for industrial cluster activities and PalTech (an 8-a firm) for management development and management seminar activities.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Rank/Value of management component of competitiveness index compiled by the World Economic Forum	Value=3.29 Rank=43	0 change index/ranking	+3% +3
Number of international-quality MBAs attained and employed by the Egyptian Private Sector (students selected for training will not return until CY 2002)	0	0	0
Number of training institutions engaged in establishing and implementing a certificate standards review process	0	0	2
Percentage of annual wage bill spent on training and human resource development in selected clusters	0%	2%	5%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Access to Sustainable Utility Service in Selected Areas Increased, 263-018
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $86,079,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $44,626,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Reliable power, telecommunications and water and wastewater services are required for increased trade and investment as well as meeting the needs of Egyptian citizens. For Egypt's growing economy, utilities must make needed capital investments, be able to recover costs, and operate efficiently. To secure needed financing, the GOE is promoting increased private sector participation in these sectors by establishing legal and regulatory frameworks that provide a more stable and transparent investment environment.

Under its 25-year urban infrastructure program, USAID has invested over $5 billion in urban infrastructure ($2.6 billion to water and wastewater, $1.8 billion electric power, and $700 million telecommunications) to enhance the lives of millions of Egyptians through improvements to urban public utilities. Water and wastewater programs have reached 22 million people; power sector programs have increased and improved 35% of Egypt's generating capacity and telecommunications programs have financed expansion and improvements in the quality of services reaching several million customers. Through this infrastructure strategic objective (SO), USAID will phase out of direct financing of infrastructure construction and will place increased emphasis on supporting legal and regulatory reform in the sectors in order to create an enabling environment for private sector participation and to improve services for customers.

Key Results: Expanded and better managed infrastructure services, including enhanced wastewater collection/treatment facilities and efficiency improvements in electricity infrastructure, will improve urban environmental quality and the

health of millions of Egyptians. Achieving the SO requires successfully improving service delivery, addressing the need for utilities to operate as businesses, and promoting a legal and regulatory framework conducive for increased investments.

In the power sector, completion of the Alexandria Regional Control Center in FY 2000 will improve electricity service for nearly one million Alexandria residents. The Cairo Regional Control Center will be nearly complete by the end of FY 2001 and will improve the supply of electric power to approximately one million Cairo residents. In the telecommunications sector, installation of digital switching technology during FY 2000 will expand telephone services to about 450,000 Egyptians. By the end of 2001, an additional 900,000 Egyptians will benefit from expanded service. Power and telecommunications sector reform activities will focus on institutional strengthening of the utilities, facilitating implementation of the existing regulatory legislation and establishing new efficiency mechanisms such as power pooling.

Water and wastewater infrastructure construction activities began in the Daqaliya and Aswan governorates during FY 1999. During FY 2000 construction will be initiated in the Alexandria, South Sinai, Fayoum, Beni Suef, and Minia governorates. Construction will start in Luxor in FY 2001. Over half a million residents of Mansoura, in the Daqaliya governorate, will receive new or upgraded water service by the end of FY 2001. Water and wastewater service improvements in the other governorates will come on line during 2002 - 2004. Meanwhile, as a result of comprehensive ongoing USAID-financed institutional support during 2000 and 2001, targeted utilities will continue to make consistent gains in operating efficiency and recovery of operation and maintenance costs through improved metering and billing systems, stricter fiscal controls and improved accounting procedures. USAID assistance is supporting a shift away from central government responsibility for planning, constructing, and financing basic services towards local utility autonomy and responsibility for operating on a commercial basis responsive to consumer needs. To that end, significant progress has been achieved towards comprehensive legal and regulatory reform, aimed at increasing autonomy and promoting commercial management of local utilities, as well as encouraging private financing and management of services. During FY 1999, USAID technical assistance coupled with extensive policy dialogue directly supported the GOE in preparing a comprehensive package of legal and regulatory reform instruments for the water and wastewater sector. The new legislation should be promulgated during FY 2000.

Performance and Prospects: This new SO encompasses activities carried over from SOs 6 and 1, which end in FY 2000.

In FY 2000 and FY 2001, USAID assistance will continue to focus on improvements in efficiency, reliability and increased access to utility services, putting into place critical infrastructure needed to support increased private investment in the power and telecom sectors. Assistance will be provided to help the power regulatory board initiate its basic oversight functions. USAID will also assist Telecom Egypt to become a quality provider of customer-driven services and position itself for additional privatization in the medium term.

In water and wastewater, USAID is pursuing a two-pronged approach. In FY 2001, support is being provided to create an independent regulatory agency, enhance the GOE's capacity to manage private sector investment transactions, and institute measures to enable/encourage local utilities to operate along business lines. Concurrently, institutional development efforts aimed at greater cost recovery and operating efficiency complement capital assistance investments to enhance the delivery of services to customers.

The SO will help our partners establish the conditions for mobilizing private sector financing of infrastructure, while enhancing utility management and customer services and protecting USAID's capital investments to date. This is a logical graduation strategy for a program that has matured to the point where public entities are ready to change their roles from service delivery to facilitator and regulator.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID is the largest donor in the water/wastewater sector. Other donors include the European Union, Great Britain and Italy in Cairo; Denmark in Aswan and Qena Governorates; and the Netherlands in Fayoum. In the power and telecommunications sectors, USAID's focus on policy and regulatory reforms to promote private sector participation, is also supported by the European Union and the World Bank.

Principal Contractors, Grantees or Agencies: USAID works closely with the Ministry of Housing, Public Utilities and New Communities, Ministry of Communications and Information Technology, Ministry of Electricity and Energy and a number of local utilities to implement the program. U.S. firms such as ABB SUSA, Morrison Knudsen, Morganti, Black & Veatch International, Camp Dresser & McKee, CH2M Hill, Harza Engineering, Metcalf & Eddy, PADCO, Hagler Bailly, Chemonics International, Advanced Engineering Associates, Deloitte Touche Tohmatsu, Duke Engineering Services, Pennsylvania Power and Light, Gilbert Commonwealth International, General Dynamics, Nortel Networks,

Raytheon, Macro Corporation, Kuljian, and K&M Engineering help implement the programs.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Change in the number of customers with new or upgraded utility service:			
Power	(0)	900,000	1,900,000
Telecommunications	(0)	450,000	1,350,000
Water	(0)	0	525,000
Wastewater	(0)	0	0
Percent of system operations and maintenance costs recovered:			
Power	80%	82%	84%
Telecommunications	90%	91%	92%
Water/Wastewater	45%	92%	50%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Management of the Environment and Natural Resources (ENR) in Targeted Sectors Improved, 263-019
PROPOSED FY 2000 OBLIGATION AND FUNDING SOURCE: $66,481,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $51,560,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: Preserving Egypt's environment and natural resource base--in particular water, air and coastal ecological area resources--is key to economic growth, improving competitiveness and creating a healthier environment that benefits all Egyptians. The challenges facing stabilization of the natural resource base are considerable. The quality and efficiency in use of Nile water must be improved in order to meet both the growing population and the increasing demand for water by the agricultural and industrial sectors. Sustaining the growing levels of tourism, and the subsequent rapid development along the Red Sea coast, requires protection of fragile coastal ecosystems and proactive steps to preserve its coral reefs. Air pollutant levels in Cairo are among the highest in the world, contributing to respiratory ailments and lost productivity. A growing economy requires both increasing amounts of energy and increased efficiency.

Nascent efforts to address these and other challenges to Egypt's resource base are hampered by a poor enabling environment and weak implementing institutions. To address these challenges and build upon its successes, USAID intends to implement its ENR program in two phases. During phase one, USAID will assist the GOE in developing and implementing improved policies and regulatory standards as well as improving institutional capacity for monitoring, enforcement and encouraging public awareness. Working with the public and private sectors, USAID also will promote adoption of best practices and modern technologies, market incentives, and privatization of ENR services. Phase two activities under this SO will focus on interventions that more directly result in the actual improvement of the environment. Permanent solutions for environmental problems can only be accomplished and sustained once an underlying framework and management capacity are in place. Four areas are targeted: Nile water resources management, Red Sea natural resources, urban/industrial pollution, and energy efficiency (global climate change).

Key Results: Two results are key to achieving this strategic objective: 1) fostering public-private partnerships and 2) increasing investment in ENR best practices and technology. In order to leverage resources and rely more on voluntary compliance instead of enforcement, GOE environmental regulatory agencies need to develop linkages and partnerships with the private sector and with local government. A collaborative relationship that promotes private sector investment in the environmental sector and ensures that public sector investment attracts private investment is also required.

Achievements expected in FY 2000 - FY 2001 for the targeted areas follow. For Nile water management: in accord with ENR sector policy benchmarks, the GOE will transfer operational and management responsibility for selected sections of the irrigation systems along the Nile to water users and private associations of water users; draft legislation to update and revitalize the irrigation and drainage law will be presented to the People's Assembly; transfer of canal operation and maintenance to stakeholders will begin; and regulations governing the use and reuse of wastewater for agricultural

purposes will be improved. For the Red Sea coastal area: the GOE is expected to formalize the expansion of the Red Sea Marine Park from its current size of 100 square kilometers to more than 22,000 square kilometers, while continued improvement in the health of offshore coral reefs is also expected. For urban and industrial pollution: three lead smelters, including the largest private lead smelter, will complete their relocation to an industrial zone outside of Cairo in FY 2001, and infrastructure in the zone will be completed to permit relocation of other lead smelters. The first city to adopt an environmental management system, 10th of Ramadan City, Egypt, will be declared an environmentally friendly city in CY 2000. A national energy efficiency strategy to mitigate greenhouse gas emission, should be approved by relevant public and private sector entities by FY 2001. The vehicle emissions testing and certification program will expand throughout Greater Cairo. Municipal bus companies in Cairo and Alexandria will increase the number of compressed natural gas fueled buses in operation.

Performance and Prospects: A mix of cash transfer, technology transfer, technical assistance, capacity building and policy reform element is being used to help Egypt improve environmental management and, eventually, to improve environmental conditions. As of FY 2000, this SO incorporates the activities and results included in the old strategy under SO 7 and SO 8, bringing operational efficiencies and strengthening the inter-linkages among all partners and activities.

For Nile water resources management, USAID-financed activities are designed to strengthen public sector institutional capability while integrating the private sector, particularly water user associations, into improved and sustainable water management. Sector policy reform cash transfers, technical assistance, training, and studies focus on building water resource analysis capacity within the Ministry of Water Resources and identifying policy constraints and how to remove them. The Minister actively participates in planning activities, providing a high level of support to the program. Activities are designed to foster linkages with other key ministries in the water sector.

Public awareness campaigns, policy dialogue and training supported by USAID, in parallel with enforcement of regulations related to visitors, aim at improving the health of offshore coral reefs in protected areas. For example, to help sustain efforts to improve the coral, assistance has helped to develop a visitor fee structure for the area. In another example, the three largest lead smelters are now in the process of relocating from a residential area to an industrial zone, with technical assistance to be provided to complete a management plan for landfill and utilities needed for additional smelters to relocate. The private sector commodity import program has incentives for the import of American environmental technology of which at least one of the firms is taking advantage. USAID will also provide technical expertise to assist city managers and private firms in the 10th of Ramadan City implement an improved environmental management system to address critical environmental challenges facing the city. The Egyptian Environmental Policy Program will assist in developing and implementing the Energy Council Action Plan that will implement an energy efficiency strategy. U.S. experts will assist the Ministry of State for Environmental Affairs, the governorates, and private companies in establishing necessary procedures and training for the vehicle emissions testing program. USAID is assisting municipal bus companies to expand use of CNG buses by providing technical assistance in procurement planning and maintenance.

USAID will also investigate the feasibility of continuing its work in supporting the preservation of Egypt's cultural heritage.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID is the largest donor focusing on management of the environment and natural resources. Two separate donor groups, specifically focused on activities and approaches to environment/energy and water-related programs, are active and meet regularly to coordinate resources and efforts to avoid program duplication. Donor initiatives which complement the USAID program include: the United Nations Development Program's (UNDP) new energy efficiency program; the European Union's regional solid waste landfill activities; Denmark's environmental finance and environmental quality monitoring activities; Canada's industrial pollution and capacity building projects; World Bank's rehabilitation of drainage systems program; Netherlands and Italy's water management activities; and the World Bank, UNDP, and Canada's joint Nile River Basin initiatives.

Principal Contractors, Grantees, or Agencies: USAID implements ENR activities through contracts with Chemonics International, Hagler Bailly, Bechtel, Winrock International, the International Resources Group, Inc., and grants to the Food and Agricultural Organization (FAO).

Selected Performance Measures:	**Baseline**	**Target (2000)**	**Target (2001)**
Real value of agriculture production per unit of water for agriculture use Egyptian pounds (LE)	522 (1998)	549	562

Percentage of Cairo's 1.2 million vehicle fleet that meets vehicle emission environmental standards	0% (1999)	0%	3%
Coral Reef Management Index (% of Red Sea dive sites that do not suffer coral degradation)	80% (1997)	88%	90%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Healthier, Planned Families, 263-020
PROPOSED FY 2000 OBLIGATION AND FUNDING SOURCE: $52,422,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $48,107,000 ESF
STATUS: New/Continuing
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: This strategic objective reflects a major redirection of the health and population program. It shifts the priority to capacity strengthening and sustainability and focuses on families rather than simply women of reproductive age and their children, an integrated perspective consistent with the Government's vision. With USAID assistance, Egypt has substantially reduced child mortality and fertility and has made considerable progress in establishing a firm foundation for sustainable, effective health and family planning services. Remaining problems in the population and health sector include: stark differences in health status between Upper Egypt and the rest of the country, population momentum which will add nearly 2 million people annually to Egypt's population, low knowledge and awareness of health risks and behavior, and structural deficiencies in the health sector which lessen efficiency and impact.

Key Results: This SO will achieve the following results: a) increased use of basic services by the poor and vulnerable; b) adoption of healthy behaviors; and, c) basic services sustained when USAID assistance is phased-out. In the next two years, the focus will be on improving equity of access to basic health services; equipping Egyptian families with the knowledge and skills needed to maintain health and productivity; and strengthening the Egyptian family planning and maternal and child health (MCH) program to meet the growing demand for quality services. Continued reductions in infant mortality and fertility are expected to result from increased use of maternal and child health services and family planning.

Performance and Prospects: Previously separate health and population programs are merged under a unified Strategic Objective (SO) to maximize efficiencies and impact. USAID will continue to support a full-range of activities including training of health workers, technical and management assistance, applied research, public health commodities, equipment and supplies, health facility renovation, operational costs of service delivery, and policy analysis and implementation (with sector policy cash transfers).

Prospects are good for the achievement of significant results by the end of FY2001. A new, improved package of maternal and child health services will be available in 60 under-served districts in Upper Egypt. The range of contraceptive options available will be broadened. Immunization coverage levels of over 90% will be maintained, and Egypt will be on the threshold of eradicating polio. Services will be improved through: (1) an expansion of the "Gold Star" family planning quality assurance program; (2) the launching of a new quality assurance program for maternal and child health services; and, (3) the implementation of a new accreditation program for family health clinics.

Over the next two years, emerging and endemic infectious disease prevention will be improved through: (1) the completion of a program of research on hepatitis C to determine how it is transmitted, and the launching of a national prevention program based on this research; (2) the establishment of a virology lab to meet national training and research needs; (3) completion of the first steps towards the development of a vaccine against schistosomiasis; (4) improvement of the quality and safety of the national blood transfusion service; (5) strengthening the national infectious disease surveillance and control program to more effectively prevent and respond to infectious disease threats.

By the end of FY 2001, sustainability of family planning and maternal and child health services will be enhanced through support based on the achievement of benchmarks under USAID's health sector reform program. These include: (1) an increase in Ministry of Health and Population expenditures on primary and preventive health care by 10% annually; (2) development of a "Family Health" service model and a fund to pay providers for services based on quality and efficiency; and (3) the establishment of a public-private sector partnership to allow the public sector to accredit and contract private

and NGO providers to deliver family health services. Prospects are good for the accomplishment of other activities important for sustainability such as: (1) the identification of an NGO to receive a local currency endowment; (2) the launching of a new national initiative to promote health, prevent communicable and non-communicable disease, and lower the unsustainable costs of curative care; and (3) the assumption by the Ministry of Health of some of the costs of contraceptive commodities currently borne by USAID;

The participation of Non-Governmental Organizations (NGOs) will increase in this same period through a new NGO program in the population and health sector to develop NGO capacity to deliver family planning and maternal and child health services and promote health; and the award of 100 grants to NGOs to focus on the health needs of Upper Egypt. Human and institutional capacity will be strengthened by the end of 2001 through: (1) implementation of a comprehensive management training program; (2) graduate training for "Young Leaders"; (3) a new "Family Doctor" training initiative; (4) improved family planning/reproductive health and maternal and child health training in Egypt's medical and nursing schools; and (5) improved support systems (e.g. planning, health information, logistics).

The high level of GOE commitment to population and maternal and child health strongly suggests that further progress is feasible over the next ten years. The Ministry of Health and Population has a clear mandate to provide public health services to the poor and vulnerable, a good service delivery track record, and the infrastructure for widespread impact (over 4,000 service sites). Stabilizing Egypt's population growth and improving maternal and child health are top GOE priorities for which there is long-standing and strong political commitment. President Mubarak often emphasizes the grave implications of population growth for Egypt's economic development.

GOE commitment to fundamental reform in the health sector is uncertain. USAID is supporting the first phase of the Government's long-term health sector reform initiative and progress under the program has been encouraging. By the end of FY 2001, USAID will assess whether to continue to support health sector reform if the GOE is prepared to implement further, more politically difficult reforms, particularly reforms which broaden the participation of the private sector. If results of the assessment are encouraging, USAID will develop a new health policy reform agenda to broaden private sector and NGO participation and improve efficiency, equity, and sustainability of basic health services (see SO 16).

Possible Adjustments to Plans: USAID plans to phase-out bilateral assistance to the population and health program in FY2009, at the conclusion of the new strategy. In FY 2001, USAID will develop a plan for an orderly phase-out.

Other Donor Programs: Collaboration between USAID and the following donors will be especially close: with World Health Organization (WHO) on our mutual goal of strengthening Egypt's infectious disease surveillance and control capacity; with UNICEF to assist Egypt to achieve it's maternal and child health goals; with the United Nations Fund for Population Activities (UNFPA) to assist Egypt achieve its goal of replacement level fertility by 2015; and with the European Union and the World Bank to coordinate support for Egypt's health sector reform initiative.

Principal Contractors, Grantees or Agencies: U.S. implementing organizations include John Snow Inc., Maximus, Abt Associates, the U.S. Center for Disease Control and Prevention, University of Maryland, Naval Medical Research Unit (NAMRU-3), Program Appropriate Technology and Health (PATH), and Wellstart International. UNICEF is also an implementing agency. Activities under SO 4 and SO 5 will be extended as necessary to ensure a smooth and timely start-up of SpO 20. The MOHP will continue to be a principal partner; USAID will also work in close cooperation with other government ministries, notably the Ministry of Information (on health education and promotion) and the Ministry of Higher Education (on medical and nursing education). The participation of the NGO community and the private health sector will be significantly increased through the life of the SO.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Total Fertility Rate (TFR)	3.4 (1998)	3.1	3.0
Infant Mortality Rate (IMR)	45.5 (1998)	44	42
Percent of births whose mothers received four or more antenatal visits	33%	37%	40%
Percent children 0-23 months with diarrhea in the past two weeks who received oral rehydration therapy (ORT)	39%	40%	40%
MOHP expenditures for primary/preventive health care per capita	LE 19 (1998)	LE 20	LE 21

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Egyptian Initiatives in Governance and Participation Strengthened, 263-021
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $14,042,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $18,650,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2009

Summary: This new special objective (SpO) builds on past USAID/Cairo experience, and has been tailored to match the pace and scope of political change in Egypt and to support the Mission's achievement of its other objectives. An environment that encourages private sector job creation and a more sustainable resource base depends upon transparent and accountable governance, which in turn is founded on widespread citizen participation and the ability of institutions to respond. In Egypt today, there are two main forces pressing for reform: private sector actors empowered by economic reforms (who are most interested in improved governance of the economy) and NGOs and other elements of civil society (who are calling for improved and more responsive services). During the 1990s, the GOE became increasingly responsive to the private sector, resulting in numerous improvements to economic governance. Recently the GOE has begun to raise the profile of social development, particularly increased participation for improved services and poverty reduction.

This SpO will support changes in economic governance and service delivery--changes for which there is significant governmental and non-governmental support, and which have the potential to expand into broader reforms. In this regard, USAID will continue to support a stronger role for civil society; will introduce the application of innovative models of service delivery, initially in selected "new communities," and will continue to support improvements in the administration of justice.

This SpO is explicitly formulated to respond to Egyptian initiatives and therefore its overall contribution to governance and participation depends on the quantity and quality of those initiatives. If there is no further change in the broader political environment, progress will still be made. If there is significant change, USAID will expand activities to strengthen more diverse elements of civil society, and to further extend and institutionalize participation in public decision making and to improve the administration of justice.

Key Results: Key results to be achieved are: (1) improved capacity of civil society organizations to participate in development; (2) increased stakeholder collaboration for community level services; and (3) improvements in selected areas of administration of justice. Participation will improve by strengthening the relevant capacities of civil society organizations and by facilitating more stakeholder collaboration in making and implementing policies for community level services. Governance will be favorably impacted through improvements in the administration of justice and by increasing interaction between governmental and non-governmental stakeholders for the provision of services. By the end of FY 2001, both the North Cairo and Ismailia Pilot Court activities improvements will be completed, with substantial progress in the rate of commercial law case resolution, knowledge of commercial law by judges in the two courts measurably improved, business lawyers perception of the pilot court operation improved, The National Center for Judicial Studies training capabilities upgraded and the MOJ committed to nationwide replication of the pilot court model. Results in FY 2000 and FY 2001 focus on strengthening civic action and the service delivery capacity of civil society organizations, launching a new stakeholder participation initiative, and continuing the strengthening of pilot court administration.

Performance and Prospects: Three sets of activities are currently planned under the SpO. USAID will establish an NGO Service Center to help civil society organizations become full partners in the development process. The Center will give NGO grants in selected areas, strengthen organizational capacity, and support civil society networking. The activity will also support NGO activities in other sectors supported by USAID. Planned activities under the NGO Service Center activity include: provision of training and technical assistance to strengthen the participation of the Egyptian NGO Advisory Committee; establishing the Center's facilities in Cairo; holding of a series of outreach meetings in upper and lower Egypt; and providing technical assistance and training to 100 civil society organizations. Ninety sub-grants will be provided to a wide range of civil society organizations for increasing both their civic action and service delivery. USAID will also continue to track the implementation of the new non-governmental organization law and its Executive regulations.

Egyptian citizens are increasingly demanding public services, which the GOE can not fully satisfy. This has created a receptive climate for new models of local governance emphasizing the link between broader local participation and

improved service delivery. In FY 2000, USAID will develop a new activity to improve selected public services through enhanced participation and resource mobilization at the local level, particularly in Egypt's rapidly growing and economically vital new communities. The activity seeks to have a major impact upon citizen-government relations, manifested initially by increased participation in local decision making and improvements in selected local services in pilot communities. Working with governmental and non-governmental stakeholders in these communities, and with the cooperation of relevant central GOE authorities, USAID intends to demonstrate models of participatory local governance which can be widely replicated. A novel feature of the activity is that it will develop markets for local services to be supplied by small and medium enterprises assisted by other USAID strategic objectives and other donors.

The Administration of Justice Support Project will be subsumed under this SpO. Planned activities include: validation and replication of North Cairo Court management procedures in the Ismailia Court; testing and validation of software and human re-engineering procedures; continuing expatriate system analysis technical assistance until the automation solutions are robust and suitable to be recommended for adoption nationally; and ensuring that adequate personnel training and staff development have been completed at the pilot courts to assure their sustainability. In the future, USAID expects to significantly expand support to the administration of justice. Further improvements to the adjudication of commercial law as well as possibly engaging with lawyer associations and commerce-related associations are being considered. In addition, USAID is ready to respond to a range of GOE initiatives to increase transparency and promote anti-corruption, including those with implications for the protection of human rights and the improvement of the criminal justice system. USAID will also consider working with the Court of Cassation (Egypt's supreme court) in improving its capability for case management and administration.

Public discussion of governance obstacles to Egypt's effective globalization and the provision of services has intensified recently. Transparency, accountability, decentralization, combating corruption-all have been signaled as areas for GOE action under the new cabinet. If the GOE wishes to expand its partnership with USAID by addressing some or all of these areas, the scope of the SpO could be broadened and activities expanded.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID is the lead donor in the area of governance and participation. Multilateral donors working with civil society organizations include the United Nations Children and Education Fund, the European Union, and the World Bank. Other donors working in rural participation activities include the United Nations Development Program, the World Health Organization, the Netherlands, Canada, Britain, Italy, Denmark and Switzerland. USAID is the only donor working with the Ministry of Justice in support of its procedural reform program.

Principal Contractors, Grantees, or Agencies: USAID implements activities through three U.S. Private and Voluntary Organizations (PVOs): The National Council of Negro Women (PVO Development Activity), Save the Children (NGO Service Center), and America-Mideast Educational and Training Services, Inc., Associates for Rural Development, Development Associates, and the Department of State Public Affairs Bureau (Administration of Justice activities) are also partners.

Selected Performance Measures:	**Baseline (1999/2000)**	**Target (2000)**	**Target (2001)**
Expert assessment of the capacity of civil society organizations to participate in development	15	20	25
Perceived improvement delivery of public services in selected communities as a result of private and public sector collaboration (provisional for one year)	0	10%	20%
Selected court systems tested and accepted for replication by the Ministry of Justice	0	0	1

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Basic Education Improved to Meet Market Demands, 263-022
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $14,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $15,500,000 ESF
STATUS: New
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: From FY 1997 - FY 1999, USAID provided support to NGOs to develop pilot programs that modeled quality basic education and expanded access for girls and young women. Under this new strategy, the program builds on these efforts and supports quality NGO models (emphasizing girls), improves basic education in under-served areas, increases community participation in school management, and builds English language and job skills. Access to education by girls remains an acute problem in Egypt. It is an impediment to longer-term social and economic growth. Only 69.8% of rural girls in Upper Egypt attend school and the literacy rate of 40.5% for women compared to 64.7% for men illustrates the disparity between female and male access to education [1999 Demographic Health Survey and Human Development Report]. An estimated 1.6 million school-aged girls are not enrolled. Yet an educated, skilled workforce is necessary for Egypt to successfully compete in the global economy. Studies show that national competitiveness tracks closely with average number of years spent in school and adult literacy rates. Egypt's literacy rate lags behind regional competitors. While literacy and universal primary education are necessary, they are not sufficient for a competitive workforce. Skills in English language and information technology are also critical for competitiveness. Therefore, quality English language training and improved school-to-work programs are integral components of the SpO. The SpO is intended to improve basic education in key areas in order to prepare young Egyptians with the skills and problem-solving abilities to meet the quickly changing market demands of the 21st Century.

Key Results: Three key results are necessary to achieve this objective: (1) demonstrated models of improved basic education (emphasizing girls and young women); (2) strengthened English language skills and teacher training; and (3) increased capacity of secondary education to meet market demand. By the end of FY 2003, USAID anticipates that the following will be achieved: increased primary school enrollment by at least 28,800 girls annually; improved learner pass rates of 5% per year in targeted areas; improved health, literacy and life skills of adolescent women in rural areas; completed construction or renovation of approximately 814 classrooms in under-served areas of Upper Egypt; increased parent and community participation in education and school management; improved knowledge of English by teachers and students to increase access to the information highway and build job skills; institutionalized systems whereby the private sector (profit and not-for-profit) and parents influence decision-making at the local school and national levels; introduced an Egyptian "Sesame Street" to help reduce Egypt's high primary school drop-out rate and to better prepare millions of Egyptian children for primary school; initiated entry-level employment requirements reflected in secondary education electives and vocational training; and expanded school-to-work options through increased linkages between prospective employers and employees.

Performance and Prospects: In FY 2000 and FY 2001, USAID will be assisting the New Schools Program in school construction and renovation in Minya Governorate in Upper Egypt (which includes the greatest number of non-enrolled girls). Technical assistance for the New Schools Program will be used to train parents and community leaders to effectively participate in and manage the schools, to train teachers in new methodologies, and to begin to equip the new schools and teachers with modern and innovative materials and training. A core group of Master Teachers will be trained in Egypt and the United States to support the New Schools Program and to build capacity within Faculties of Education (strengthening both pre-service and in-service training). Successful NGO models of formal and non-formal basic education begun under SO 2, and subsumed into SpO 22, will continue to expand in targeted areas. For example, the "New Horizons" programs will be expanded in other parts of Egypt--working in collaboration with the Ministry of Education--to provide continued health, literacy and life-skills training for adolescent young women and men who are not enrolled in school.

Under the Integrated English Language Training-II program, continued training of teachers, supervisors and Ministry of Education officials will occur, building toward an eventual impact on 50,000 teachers and 722,000 learners. This program improves English language training in the public and private sectors to help Egyptians to successfully compete in the global economy. The program builds on existing systems within the Egyptian Government system to improve pre- and in-service teacher training and is being integrated into the Ministry of Education for longer-term sustainability. This will also bring about a required reform in school testing. It also supports private-sector-oriented training as "English for Occupational Purposes" to improve language skills.

In FY 2000, USAID will initiate a secondary education electives activity that links private sector job requirements with public sector secondary education. The purpose is to improve school-to-work skills and the capacity of secondary education to meet market demand for workforce knowledge and skills. Collaboration with the World Bank and the Ministry of Education in support of the Secondary Education Enhancement Program will be important to activity success. Technical assistance will help establish linkages between employers, job seekers and students, and allow the private sector to provide input to the secondary education electives curriculum. It will also be provided to partner private sector firms with local schools and parent committees. Workforce development services that promote accurate labor market information will be supported and the educational system assisted to design market responsive programs and curricula. Planned activities include teacher and management training, the development of an evaluation methodology to measure

teacher and student performance, and the documentation of the process for replication in other areas of Egypt. Subcommittee IV (Education and Human Resources) of the U.S.-Egypt Partnership for Economic Growth and Development promotes a public-private partnership between the Ministry of Education and the private sector to increase access to technology for both schools and communities.

Possible Adjustments to Plans: None.

Other Donor Programs: Donor coordination in education is strong, with regular donor meetings to discuss programs and priorities. USAID is the third largest donor in basic education. The World Bank and the European Union have initiated a complementary $200 million Basic Education program including teacher training, educational technology and selected activities to increase access to primary schools. The third element of USAID's strategy involves public-private partnerships and cooperation with the European Union and the World Bank to provide technical assistance support for relevant elements of a World Bank secondary education development program (school-to-work sector). The World Bank, the German Bank for Reconstruction and Development and the multi-donor supported Social Development Fund are financing school construction. Canada and the United Nations Children and Education Fund are collaborating on an innovative, community small school program in geographic regions complementary to USAID's. The Government of Egypt contribution is approximately $16 million over six years to complement USAID activities.

Principal Contractors, Grantees or Agencies: CARE International (New Schools Program); Save the Children (girls' scholarships); Centre for Development and Population Activities (adolescent life skills activities); Plan International (urban community school pilot); Academy for Educational Development (curriculum and teacher training); and Children's Television Workshop (Egyptian "Sesame Street").

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Previously not enrolled girls participating in education through the New Schools Program in Upper Egypt	0	1,435	10,520
Girls' pass rate in third year exams in USAID supported schools (Baseline: 65% is pass rate for Ministry schools)	65%	70%	75%
Number of Egyptian NGOs, community development associations, parent/teacher councils participating in delivery of girls' education in target areas	0	8	99
Increased number of teachers and teacher trainers using modern, communicative teaching methods	6,560	12,060	16,560
Number of business/industry and school-to-work program linkages	0	0	8

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Accelerated Private Sector-led, Export-oriented Economic Growth, 263-001
STATUS: Strategy revised in FY 2000; see new SO 16, SpO 18 and SO 19
INITIAL OBLIGATON: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: The greatest threat to Egypt's stability and, thus, its leadership in the Middle East is the continued high level of poverty among its people. Increased employment, necessary to reduce poverty, requires accelerated economic growth. The result this strategic objective's (SO) seeks is to double the rate of broad-based economic growth from 2.9% in 1994 to 6% by 2001. Direct beneficiaries include private sector businesses and employees who produce goods and services for export and domestic markets. Other significant beneficiaries are from the country's poorest--the four million small farmers, landless laborers and women who produce and process horticultural and agricultural commodities, and the three million non-agricultural informal sector micro-entrepreneurs.

Key Results: To achieve the SO, five key results are necessary. One, a policy environment must exist which creates the conditions for the private sector investment climate to change from being "mostly unfree" to "mostly free." Two, increased agricultural productivity as measured by the value of agricultural production per 1,000 cubic meters of water needs to increase to the equivalent of $138. Three, exports must increase by $297 million per year in targeted sectors--fresh and processed agricultural products, spinning/weaving, leather products, furniture and software. Four, financial markets need

to be strengthened and privatization accelerated. And, five, access to reliable power and telecommunications services must continue to expand, increasing annual energy sales to the business sector to 4,539 million kilowatt hours and the cumulative number of telephone lines available to businesses to 900,000.

Performance and Prospects: The broadest measure of Egypt's progress is the real gross domestic product (GDP) growth rate, which hit 6% for the last fiscal year, two years earlier than expected. The acceleration is due, in part, to rapid growth of the private sector's share of the economy. In 1996, the private sector contributed only 63% of GDP. In calendar year (CY) 1999, the private sector share will be more than 70%. This is partially due to the Government of Egypt's (GOE's) successful privatization program, which privatized over 30 firms in 1999, representing more than 10% of all state-owned enterprises. Private sector non-petroleum exports rose to $2.8 billion in 1999, up from $1.69 billion in 1998. These gains were somewhat subdued when, Egypt's currency being tied to the U.S. dollar, the dollar appreciated nearly 15% compared to the Euro dollar. As a result, Egypt may have an increasingly difficult time exporting to its major overseas market. Total non-petroleum exports rose only 1%.

In 1999, the Sector Policy Reform program (SPR), a cash transfer policy reform program, met the following benchmarks: (1) provision of port services liberalized; (2) accounting standards for insurance companies in line with international standards established; (3) law allowing property to be secured modernized; and (4) the use of the private sector to build and operate infrastructure such as power plants accelerated. SPR had large pipelines in the past but, based on the current pace of reform, USAID expects that the pipeline will be fully disbursed by June 2000.

The Agricultural Policy Reform Program (APRP) emphasizes reforms in five categories important for increasing agricultural sector productivity and liberalizing the agricultural sector: 1) prices, markets and trade; 2) private investment and privatization; 3) efficiency of agricultural land and water resources utilization and investment; 4) agricultural support services; and 5) food security. In 1999, this program's greatest achievement was the continued liberalization of cotton. For the first time since the 1960s, the GOE did not set a floor price or target planting areas for the cotton-marketing season. Nor was there a minimum export price set on cotton lint. The result was that cotton exports exceeded 100 million kilograms. Furthermore, private sector participation in spinning and weaving continued to increase and accounted for 30% and 61% of the market, respectively. USAID expects these trends to continue.

Through coordinated activities, USAID aids the private sector to increase exports of high-value horticulture commodities and to enhance the competitiveness of sector-specific Egyptian firms by meeting the stringent standards required in world markets. The combination of faster adoption of new technologies, technical assistance, and more availability of market information resulted in excellent growth in the sectors where USAID is concentrating its efforts. Grape exports, for example, increased 40% and strawberry exports doubled in the past year.

USAID's Private Sector Commodity Import Program (PRCIP), privatization, small and micro-enterprise, and capital market development activities also performed well in 1999. Since 1986, the PRCIP has stimulated productive investments through financing the importation of approximately $2.3 billion worth of products from the United States. During FY 1999, the program financed 627 commercial transactions totaling $233 million. USAID also provided necessary technical assistance to support the GOE's privatization program and, since 1991, over 100 state-owned enterprises (SOEs) have been privatized through sale to investors, employees, public offerings or sales to anchor investors.

In the first year of implementation of assistance to the Egyptian capital market, USAID assistance has helped improve capital market efficiency and transparency through a series of new reforms, including executive decrees authorizing bond dealers and a settlement guarantee fund to protect the financial integrity of the capital market system.

Since 1990, USAID has supported activities expanding credit for small and micro-enterprises (SMEs), and created six sustainable NGOs and one private commercial bank program. Collectively, these entities have made over 500,000 SME loans, with a repayment rate of 98%, valued at approximately $410 million to over 200,000 borrowers that otherwise had no access to credit. In addition, the USAID-assisted Credit Guarantee Corporation extended approximately 15,000 guarantees valued at $235 million to support $457 million in new credit to small business in the same time period. In the first three quarters of 1999, 96,164 new loans valued at $167 million were made to 34,389 SMEs through USAID-supported entities. More than 90% of these borrowers had no prior access to credit from formal financial institutions. USAID estimates that approximately 167,000 new jobs have been created over the life of the program.

The power sector program and earlier successful USAID initiatives have financed the installation and rehabilitation of over 40% of Egypt's total power generating capacity. As a result, more than 97% of the Egyptian population now has electricity. The Egyptian Electricity Authority has started to export a small amount of power to Jordan. Through its telecommunications activities, USAID has helped provide reliable telephone service to over six million Egyptians. USAID is helping re-engineer Egypt's telecommunications services provider to allow the partial privatization of local telephone

service during CY 2000.

Adjustment to Plans: This SO terminated with the approval of the new strategy in FY 2000. On-going activities have been subsumed under the new strategy's SOs 16, 18 and 19. Remaining implementation and any additional obligations in FY 2000 will be under SO 16, Environment for Trade and Investment Strengthened, SpO 18, Access to Sustainable Utility Services in Selected Areas Increased, or in SO 19, Management of the Environment and Natural Resources in Targeted Sectors Improved.

Selected Performance Measures:	**Baseline (1994)**	**Actual (1999)**	**Target (2000)**
Real GDP Growth	2.9%	6.0%	5.5%
Private Sector Share of GDP	61.7%	74.0%	67.2%
Value of Non-Petroleum Exports ($ billions)	1.5	3.4	4.4

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Increased Participation of Girls in Quality Basic Education, 263-002
STATUS: Strategy revised in FY 2000; see new SpO 22
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: Girls' access to education remains an acute problem in Egypt. Program implementation began in early FY 1997, building on an earlier USAID Basic Education project that constructed almost 2,000 schools. From FY 1997 - FY 1999, USAID supported NGOs who developed pilot programs to expand girls' participation in quality basic education, largely through innovative programs that developed quality models and built community-based school support and management.

Key Results: To date, USAID has improved the lives of 41,489 Egyptian girls and young women through the provision of critical health information, life skills and basic education opportunities. USAID has also supported strengthened advocacy skills among leadership at national, governorate and community levels, contributing to an increase in girls' enrollments. USAID has (1) provided a total of 14,400 full scholarships for 4,800 girls over three school years and financial assistance to another 9,845 children (80% for girls); (2) mobilized leadership at the national, governorate and community levels by training 2,052 community leaders and 291 youth leaders, leading to increased enrollments in girls' education; (3) provided adolescent life skills, health information and literacy training for 14,955 girls and young women in rural communities; (4) provided educational support to 15,036 children and youth to build skills; (5) improved general and reproductive health knowledge for 5,785 girls and young women; (6) strengthened the capacity of local institutions to plan and implement sustainable programs through 24 technical workshops and 810 training support visits; and (7) piloted five urban schools for disadvantaged areas in Cairo which now serve in part as quality community-based models for the New Schools Program (to be implemented in targeted areas of Upper Egypt under SpO 22).

Performance and Prospects: To achieve these results, USAID addressed three necessary conditions: (1) appropriate supply of facilities or classrooms for pilot activities in underserved areas; (2) an increased demand for girls' and quality educational service, including mobilizing community involvement in the development, construction and operation of community-based pilot schools; and (3) improved quality of teaching and learning practices, based on new learner-centered methodologies and innovative materials to enhance the standard curriculum. The NGO-run alternative models have had good success in expanding access and quality of basic education to girls and young women. Under the new strategy, USAID will work with the World Bank and other donors to explore replication possibilities. Expansion of community-based new schools has strong support from the GOE, governors and local communities. Although progress in improving teaching and learning practices has been constrained to a small sub-set of the curriculum, the new strategy proposes a more focused, if modest, activity related to the quality of instruction. USAID will be coordinating policy dialogue with other donors, and through a multi-focal approach.

Adjustments to Plans: USAID has amended its previous community school strategy to better match solutions to local needs and Government of Egypt priorities. This process began in 1997 and was completed with the November 1999 selection of CARE International for the award of a Cooperative Agreement to implement the New Schools Program. A

new strategy was approved in January 2000. The new strategy (SpO22) includes many of the activities previously funded under this SO and builds on these successful models.

Selected Performance Measures:	Baseline	Actual (1999)
Percentage of girls (aged 6-10) in rural Upper Egypt enrolled in school (Source: 1999 Egypt Demographic Health Survey)	54.5% (1995)	69.8%
Girls receiving quality basic education through USAID interventions	600 (1997)	41,489
Girls receiving literacy and life skills training	0 (1997)	27,064
Preschool children better prepared for school by Egyptian "Sesame Street"	0 (1998)	0* (1999)

* Broadcast premiere March 2000 Target: 2 million children in 2000

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Increased Citizen Participation in Public Decision-Making, 263-003
STATUS: Strategy revised in FY 2000; see new SpO 21
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: To sustain Egypt's economic and social development, it is vital that citizens are able to participate effectively with the government in the national development process. This results in a development process that is responsive to public needs and priorities. The purpose of this Strategic Objective (SO) is to increase citizens' participation in the decision-making process. Thus, USAID assistance has focused on increasing the effectiveness of civil society organizations, one of the means through which citizens can participate in public decision-making. USAID-supported technical assistance, training and sub-grants reach local civil society organizations representing millions of citizens. In addition, recognizing that civil society organizations (CSO) are not be able to participate effectively without an enabling legal and regulatory environment, USAID is encouraging Government of Egypt efforts to improve the legal and regulatory framework for the operation of civil society organizations.

Key Results: SO performance overall has been mixed. Two key results are necessary for progress in increasing citizen participation in public decision-making: (1) increased CSO participation in public decision making; and (2) reduced restrictions on CSOs. Progress on increasing CSO's participation in public decision-making continues, as does, to some extent, the reduction of restrictions on non-governmental organizations. SO activities promoting the devolution of authority at the local level have had disappointing results and, therefore, USAID has terminated its support in this area. USAID's civil society support efforts have proven effective in strengthening the organizational, managerial and technical capabilities of CSOs, allowing for more effective and wider participation in various development activities. Measured in terms of number of significant, well-planned actions taken by CSOs to influence public decision-making (e.g., public information and education campaigns, media events, community awareness programs), in 1999, performance exceeded the set target of 20 documented actions and reached 36 such actions.

Performance and Prospects: As mentioned above, the result pertaining to devolution of authority has been disappointing. On the other hand, performance with regard to the principle two results continues to show progress. To increase civil society organization participation in public decision-making, the Private Voluntary Organization (PVO) Development activity and the new Non-Governmental Organization (NGO) Service Center program provided training, technical assistance, and grants to strengthen CSO capabilities and finance CSO development activities. To date, grants to CSOs have already benefited over 35,000 direct beneficiaries, 48% of whom are females. For the past two years, the PVO Development activity, which ends in January 2000, focused on civil society organization advocacy as well as continued support to development initiatives. It provided grants to U.S. PVOs and Egyptian CSOs to implement initiatives with a greater focus on advocacy in sectors such as credit for micro-enterprises, community development, environment, health and population. According to the activity's final impact evaluation, conducted in December 1999, "the Project has been successful in achieving its purpose of strengthening Egyptian non-governmental organizations' capabilities, and has contributed to its goal of improving the quality of life for the poor with the recent emphasis on increased citizen participation in public decision making."

During 1999, 11 advocacy-related activity grants were awarded to U.S. PVOs and Egyptian NGOs, bringing the total number of grant awards under the program since its start in 1992 to 92 totaling $20 million. These 11 awards focused on increasing the awareness, integration and participation in their communities of different groups of the society. The activities under the grants resulted in (1) increased women's awareness of their legal rights, health and environmental problems; (2) increased women's political participation; (3) increased community awareness of the problem of street children; (3) integrated disadvantaged groups in the community; and (4) enhanced community participation and mobilization in solving community issues. To promote networking among NGOs and further increase awareness of their roles and significant contributions to civil society, a second symposium on Citizen Participation in Public Decision-Making was held in October 1999. The symposium was widely attended by representatives from Egyptian civil society, U.S. PVOs, and representatives of donor organizations, government institutions, the media and interested individuals. A "Best Practices" competition was held among the Egyptian private voluntary organizations to recognize their contributions in the area of promoting citizen participation. Awards were given to a select number of Egyptian NGOs that had a significant impact in their communities through the implementation of development or advocacy-based activities.

In May 1999, Parliament passed a new non-governmental organization law. Concerns were expressed by various elements of Egyptian civil society and by many donors about a number of its provisions, especially those dealing with permissible activities and foreign funding. The Executive Regulations, which detail how the law should be applied, were issued in November 1999. They appear to have positively addressed many of those concerns. USAID will track the actual application of the new law and its Executive Regulations.

Adjustments to Plans: A new strategy was approved in January 2000. The new SpO 21 continues on-going previously funded under this Strategic Objective and any remaining obligations for those activities.

Selected Performance Measures:	**Baseline (1998)**	**Target (1999)**	**Target (2000)**
Significant, well-planned actions taken by civil society organizations to influence public decision-making e.g., public information and education campaigns, media event, community awareness programs.	0	36	66

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Reduced Fertility, 263-004
STATUS: Strategy revised in FY 2000; see new SpO 20
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: The objective of this program is to reduce the total fertility rate from 3.9 in FY 1992 to 3.0 in FY 2001 in support of the GOE's goal of reaching replacement fertility by the year 2015. Egypt has made substantial progress in reproductive health and family planning services with USAID technical and financial assistance. As a result of increasing contraceptive prevalence and declining fertility, the population growth rate has decreased from 2.8% to 2.1% over the past ten years. Improved birth spacing resulting from family planning has also helped reduce infant, child and maternal mortality.

Key Results: Survey results indicate an increased use of family planning services--contraceptive prevalence rate increased to 52% in 1998, up from 38% in 1988, while the total fertility rate declined from 5.2 children per family in 1980 to 3.4 in 1998. The USAID program has also strengthened the capacity of Egyptian family planning systems. Sustainability has improved as the GOE contribution to the total cost of the Egyptian family planning program has increased both in real terms and, as a percentile share, reached 49% in 1997.

Performance and Prospects: The USAID population program is meeting its objectives and performance is generally on track, as indicated above. More effective longer-term contraceptive methods continue to increase their share of the overall method mix. Contraceptive usage is growing fastest in rural areas, in Upper Egypt, and among poorly educated women, showing that the program's strategic emphasis on reaching the poorest, least-served segments of the population-where the needs are the greatest--is succeeding in closing the historically large gaps among socioeconomic strata and geographic regions. Public and private providers have vastly increased their coverage of the population in the past ten years, but the institutional capacity for management and service provision in both the public and the non-governmental and commercial

private sectors has not grown as fast. Information activities have produced near universal awareness and approval of family planning among married women of reproductive age. The policy environment strongly supports voluntary family planning and fertility reduction. An increased role for non-government organizations and more effective partnership with the private sector are the main emphases of USAID policy dialogue with the GOE and its partners.

Adjustments to Plans: A new strategy was approved in January 2000. The new SpO 20 subsumes on-going activities previously funded under this SO and any remaining obligations.

Selected Performance Measures:	**Baseline (1992)**	**Target (1998)**
Total Fertility Rate	3.9	3.4*
Contraceptive Prevalence Rate	47	52*
GOE Contribution as a % of total budget of the Egyptian family planning program	39.7	49.1**

*1999 figures not available. 1998 interim DHS figures shown above.
**1998 figure not available, therefore 1997 figure used.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Sustainable Improvements in the Health of Women and Children, 263-005
STATUS: Strategy revised in FY 2000; see new SpO 20
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: The strategic objective is to reduce maternal, infant and young child deaths. Egypt has made impressive gains in reducing morbidity and mortality nationwide. While progress is heartening, important challenges remain: the maternal mortality rate remains unacceptably high; emerging infectious diseases as well as non-communicable diseases contribute to a growing proportion of death, disability, and rising health care costs; and there are marked regional disparities in health status between Upper and Lower Egypt and rural and urban areas. To help Egypt overcome these problems, USAID assistance aims to improve the quality and availability of maternal and child health services (especially in Upper Egypt), control emerging infectious diseases, and ensure the sustainability of critical services through health sector policy reform.

Key Results: The child survival program has successfully improved the health of young children, preventing more than 80,000 child deaths annually. The immunization program has raised child immunization coverage rates above 90%. Diarrhea is no longer the principal cause of child deaths in Egypt because of widespread knowledge and use of oral rehydration therapy. The quality of essential obstetric and child health care services available in high-risk areas of Upper Egypt has improved. Infant and under five mortality rates declined by 52% and 61% respectively from 1985 to 1998. Prenatal coverage has improved from 28% in 1995 to 33% in 1998.

To strengthen the national surveillance and infectious disease reporting system, six fever hospitals have been upgraded and staff trained in both surveillance and reporting procedures. Baseline data for hepatitis C infection levels have been determined (prevalence in Egypt ranges is in the 15-20% range, the highest in the world). Modes of transmission, magnitude and health care cost for hepatitis C have been assessed to pave the way for effective interventions. Work is proceeding on development of a schistosomiasis vaccine with two vaccine candidates selected and protocols for animal experiments and Ministry of Health and Population (MOHP) fieldwork on human subjects approved.

The MOHP met the conditionality for the disbursement of the $15 million Tranche One of the Health Policy Support Program (HPSP). Significant progress has been realized in the articulation and adoption of policy and institutional reforms. A comprehensive Egyptian Health Sector Reform Program, including a revised strategy for the provision of primary health care, has been formally adopted and disseminated. Universal social health insurance coverage for a basic package of services is a key tenet of the reform program.

Performance and Prospects: The USAID maternal and child health program continued to exceed expectations. Healthy Mother/Healthy Child activities specifically targeted high-risk areas of Upper Egypt. A basic package of essential reproductive care and child health services has been developed, including activities to prevent female genital mutilation. As the primary providers of health for themselves and their families, mothers are the focal point of these efforts to

increase knowledge and improve health behavior in vulnerable households. Strengthening the curricula in medical and nursing schools, combined with practical pre-service and in-service training, is further improving the quality of essential child and reproductive health care. Ensuring that safe delivery care is available to all is the top priority and will save the lives of hundreds of mothers and newborns each year.

Efforts to eradicate polio by CY 2003 have reduced reported confirmed cases from 584 in 1992 to 7 in 1999. Reported cases of tetanus among newborns dropped from 1,823 in 1992 to 471 in 1998.

Applied research has helped reduce the prevalence of schistosomiasis from 40% to 10% at a sentinel site in a formerly high prevalence area in rural Egypt. However, child survival gains cannot be sustained without a national policy environment that prioritizes resources for these programs.

The World Bank and the European Union have joined the collaborative health policy reform initiative. Having successfully met Tranche One benchmarks, Tranche Two benchmarks focus upon further implementation of the reform areas. As a result, the Ministry has now embarked upon a more comprehensive health sector policy reform program.

Adjustment to Plans: Activities under this SO will be incorporated into the new strategy under Strategic Objective 20.

Other Donor Programs: Collaboration between USAID and the following donors has been especially close: with the World Health Organization (WHO) on our mutual goal of strengthening Egypt's infectious disease surveillance and control capacity; with UNICEF to assist Egypt to achieve it's maternal and child health goals; with the United Nations Fund for Population Activities (UNFPA) to assist Egypt achieve its goal of replacement level fertility by 2015; and with the European Union and the World Bank to coordinate support for Egypt's health sector reform initiative.

Principal Contractors, Grantees or Agencies: U.S. implementing organizations include John Snow Inc., Maximus, Abt Associates, the U.S. Center for Disease Control and Prevention, University of Maryland, Naval Medical Research Unit (NAMRU-3), Program Appropriate Technology and Health (PATH), and Wellstart International. UNICEF is also an implementing agency. Activities under SO 4 and SO 5 will be extended as necessary to ensure a smooth and timely start-up of SpO 20. The MOHP will continue to be a principal partner; USAID will also work in close cooperation with other government ministries, notably the Ministry of Information (on health education and promotion) and the Ministry of Higher Education (on medical and nursing education).

Selected Performance Measures:	**Baseline (1999)**	**Actual (1999)**	**Target (2000)**
Infant mortality rate	97.4 (1985)	45.5	49
Under-five child mortality rate	130.1 (1985)	58.0	62

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Increased Access to Sustainable Water and Wastewater Services, 263-006
STATUS: Strategy revised in FY 2000; see new SpO 18
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: Egypt has made significant progress in increasing the numbers of urban dwellers with access to piped water (90%) and wastewater services (56%), with sewerage networks serving 50% of urban areas. USAID's investment of approximately $2.5 billion for the water and wastewater sector over the past 20 years has contributed significantly to the provision of new or enhanced water and wastewater services for about one in three Egyptians. However, the GOE's inability to raise financial resources to meet growing demand is now critical since only one-fifth of the investment requirements can be covered by the GOE's budget. Nor does the GOE have the resources to assure that funds will be available to continue operating and maintaining systems as planned, as well as finance expansion to meet unmet demand and keep pace with urban growth. Thus, since 1996, USAID's assistance has focused on expanding sustainable water and wastewater services in urban centers of economic growth where the maximum number of people can benefit and encouraging private sector participation where possible. The purpose was twofold: to increase Egyptians' access to improved and sustainable potable water from 22.3 million in 1995 to 26.7 million in FY 2004 and to increase access to wastewater services in selected urban areas from 18.6 million in 1995 to 24.1 million by FY 2004. In parallel with its efforts to increase the number of Egyptians enjoying improved water and wastewater services through new or upgraded

infrastructure, USAID is placing increased emphasis on supporting legal and regulatory reform in the sector in order to create an enabling environment for private sector participation and to improve services for customers.

Key Results: Three key intermediate results are necessary to achieve the strategic objective: (1) improved sustainability for selected water and wastewater utilities through the coverage of full operations and maintenance costs by generated revenues; (2) improved decentralized utility management, measured by the increases in independent decision-making on personnel policy, budget and revenue retention; and (3) improved capacity to deliver utility services through improved systems and qualified staff. USAID assistance is supporting a shift away from central government responsibility for planning, constructing, and financing basic services towards local utility autonomy and responsibility for operating on a commercial basis responsive to consumer needs.

Performance and Prospects: Steady progress continued over the past year in support of expanded service coverage, improved operations and maintenance, increased cost recovery, and legal and regulatory reform of the municipal water/wastewater sector. New infrastructure activities are being initiated in Alexandria, Luxor, Mansoura, Aswan, Fayoum, Beni Suef, Minia, and South Sinai governorates. Meanwhile, as a result of comprehensive USAID-financed institutional support, targeted utilities have made impressive and consistent gains in recovery of operation and maintenance costs through improved metering and billing systems, stricter fiscal controls and improved accounting procedures. At the water/wastewater sector level, significant progress has been made towards comprehensive legal and regulatory reform aimed at increasing autonomy and promoting commercial management of local utilities, as well as encouraging private financing and management of services. Regulatory reform will establish incentives for local utilities to evolve from subsidized service providers towards public enterprises capable of managerial autonomy and financial self-sufficiency, and will encourage private investment by providing investors and lenders with confidence that capital investments will yield reasonable returns. USAID is also assisting the GOE to formalize the process for managing the competitive award of private concessions. USAID technical assistance helps the GOE mobilize private investment by building GOE capacity in assuring the transparency of the award process and in structuring financially feasible projects.

Possible Adjustments to Plans: In FY 2000, as part of the Mission's new strategic plan, this SO will be replaced by SpO 18, a new infrastructure special objective covering the water, wastewater, power and telecommunications sectors. On-going activities will be migrated as of the end of FY 1999, with remaining obligations made under SpO 18.

Other Donor Programs: USAID is the largest donor in the sector. Other donors include the European Union, Great Britain and Italy in Cairo; Denmark in Aswan and Qena Governorates; and the Netherlands in Fayoum. Several donors in Upper Egypt provide institutional strengthening support that complements USAID activities.

Principal Contractors, Grantees or Agencies: USAID implements the program through eleven major U.S. firms: ABB SUSA, Morrison-Knudsen Co., Morganti Inc., Black & Veatch International, Camp Dresser & McKee, CH2M-Hill, Harza Engineering Co., Metcalf & Eddy Inc., PADCO Inc., Hagler Bailly Inc. and Chemonics International. Subcontracts with other U.S. firms and private Egyptian firms help strengthen service delivery and improve the management, design and construction supervision capabilities in the sector. USAID implements activities in close cooperation with nine local economic utility organizations, 12 local governments and the Ministry of Housing, New Communities and Utilities.

Major Results Indicators:	**Baseline (1995)**	**Target (1998)**	**Target (2000)**
Estimated population connected to improved sewerage systems (in millions)	18.6	20.4	21.1
Estimated population with access to improved water supply (in millions)	22.6	22.8	23.1

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Reduced Generation of Air Pollution, 263-007
STATUS: Strategy revised in FY 2000; see new SO 19
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: Preliminary data show that levels of particulate, sulfur dioxide, nitrogen dioxide, and lead in selected urban and industrial areas (especially Greater Cairo and Alexandria) generally exceed international ambient standards. Industrial pollution is the central threat to Egypt's urban environment, and fossil fuel combustion is a primary contributor to air

pollution problems. Open burning of trash contributes to high levels of particulate matter in the air, and inadequate collection of solid waste is often reported by Egyptians to be the primary environmental concern. Serious health problems resulting from air pollution include respiratory illnesses, birth defects, neurological damage and blood lead poisoning.

Collaborating with the GOE and the private sector, USAID has implemented activities related to air pollution reduction for several years. USAID assistance has helped improve energy use efficiency and encouraged widespread pollution prevention in industry, including introducing a model of industrial self-compliance in one large industrial city. USAID support aims to achieve a sustainable reduction in the generation of air pollution through policy, regulatory and institutional reform, underpinned by successful pilot activities and new technology applications. Pollutants targeted include airborne lead and total suspended particulates. Improved environmental management is helping to enhance the health of Egyptians, especially urban dwellers. Individuals most vulnerable to the negative health effects of air pollution, such as the very old and very young, women, asthmatics and those with unusual occupational exposure, will enjoy special benefits. Egyptians in general stand to gain long-term economic, social and health benefits from the reduced generation of air pollution

Key Results: USAID focuses on reducing airborne lead and particulates through the introduction of new technologies, public awareness campaigns and technical training. The Cairo Air Improvement Project directly addresses air pollution issues by demonstrating technologically and economically viable environmental solutions. As a result of activities under this SO, Egypt is increasingly using compressed natural gas (CNG) as an alternative fuel to gasoline. To date, 12,000 cars, including taxis, have been converted to CNG. The Cairo Governor has issued a decree requiring all mini-buses to be CNG-fueled in order to renew licenses and registration, and the Governor of Alexandria is promoting CNG use in that city.

Vehicle Emissions Testing (VET) has been introduced and 25,000 vehicles have been tested. 85% of gasoline in Egypt is now unleaded. Cairo's lead smelters, major sources of air pollution, will be relocated outside Cairo and away from densely populated areas. These activities will have a measurable impact on air quality in Cairo and should reduce the incidence of air pollution related diseases.

Performance and Prospects: Activities within this SO include (1) the introduction of compressed natural gas fuel technology for Cairo's municipal bus fleet; (2) implementation of a lead smelter action plan to reduce lead emissions; (3) a city-wide vehicle tune-up, emission inspection and certification program; (4) air quality monitoring and analysis; (5) public awareness and communications campaigns; and (6) dialogue on other urban air pollution problems. Greater Cairo's first vehicle emission testing station has been constructed and a massive on-road testing program to promote public awareness of emissions issues and to establish a baseline for the VET program has tested the emissions of 25,000 vehicles. The GOE has also recently issued a decree requiring that all imported vehicles have catalytic converters.

Five Egyptian ministries along with the Federation of Egyptian Industries and the Egyptian Chambers of Commerce approved the issuance of new vehicle emission standards. Five CNG demonstration buses are operating and 24 of the 50 CNG rolling chassis procured through the Cairo Air Improvement Project (CAIP) have arrived. The mounting of the Egyptian bus bodies (financed by the GOE) has started. Cairo's largest private lead smelter owner and two smaller smelter owners signed a contract with the GOE to relocate their smelters outside of central Cairo where they will operate with state-of-the-art emission reduction technology. Steady progress is being made by the GOE to completely shift to unleaded gasoline, with 85% of gasoline now unleaded. Based on data from the 36 air quality monitoring stations, "environmental hot spots" have been identified.

The implementation of the Egypt Environmental Policy Program (EEPP) has been initiated. The EEPP encourages and supports jointly agreed-to policy and institutional reforms aimed at removing obstacles to sound environmental management. This effort builds on USAID past experience in areas such as energy efficiency, industrial pollution, public awareness, private sector and non-governmental organizational cooperation and environmentally sustainable tourism. It reflects the increasing commitment and capability of the GOE to undertake needed and difficult reforms. The program supports policy reform initiatives, technical support, institutional strengthening, selected pilot activities and a comprehensive public awareness program to inform and motivate stakeholder target audiences and customers to support environmental reform.

The U.S.-Egypt Partnership for Economic Growth and Development serves as a forum for the setting of jointly agreed-to GOE and USAID environmental agenda. The December 1999 meeting in Cairo of the Partnership's subcommittee on the environment reconfirmed the agreement to focus efforts on public-private partnerships for compliance with the new Egyptian environment law, a strategy for increasing the level of investment in the environment sector, global climate change and improved air quality in Cairo.

Adjustments to Plans: A new strategy was approved in January 2000. The new strategy (SO 19) includes many of the activities previously funded under this SO for the management of the environment and natural resources (ENR) in targeted sectors. Any remaining obligations will be made under SO 19.

Selected Performance Measures:	**Baseline (1997)**	**Target (1999)**	**Target (2000)**
Annual metric tons of lead emissions averted	519	649	675
Cleaner and more efficient energy use: Number of Cairo buses using CNG	0	12	65
Reduced industrial pollution: Industries with Law #4 compliance action plans submitted to EEAA	1	5,000	7,500

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Natural Resources Managed for Environmental Sustainability, 263-008
STATUS: Strategy revised in FY 2000; see new SO 19
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: Egypt has one of the fastest growing tourism industries in the world, based largely upon two key assets: its rich cultural heritage and the spectacular coral reefs of the Red Sea and the Gulf of Aqaba. However, rapid tourism growth contributes to uncontrolled, accelerated development along the Red Sea coast and to increased diving and fishing that threaten the extensive coastal reef ecosystem. The purpose of the strategic objective is to foster sustainable management of coastal and marine resources by addressing the policy and institutional weaknesses that allow uncontrolled, non-sustainable tourism growth to threaten the natural resources base. The Egyptian public and private sectors stand to gain long-term economic benefits from sustainable tourism development.

Key Results: In collaboration with the Egyptian Environmental Affairs Agency (EEAA) and the Tourism Development Authority (TDA), USAID has supported a pilot program to help preserve and protect the natural and cultural environment along the Red Sea coast through promoting environmentally appropriate tourism. Key results of the SO include: (1) measurable stabilization and improvement of the condition of the reefs and coastal habitats due to improved and expanded management of coral reef dive sites in the Red Sea; (2) a significant increase in the use of environmentally sensitive construction and management practices for coastal area hotel developments; and (3) a four-fold increase in the GOE contribution to funding the operation and maintenance costs for the Red Sea Park over the past 2 years.

Performance and Prospects: A Policy Framework for Environmentally Sustainable Tourism Development in the Egyptian Red Sea was formally signed by the Ministers of Environment, Tourism and Governor of the Red Sea. The Policy Framework is built around three themes: protection and management of natural and cultural resources; facilitation of public/private sector cooperation for environmental sustainability; and private sector environmental management initiatives. It is the product of a highly participatory review process within the Egyptian Government and private investment community.

Implementation of the Framework is well underway and includes: (1) preservation of all currently protected coral reef areas through the installation and maintenance of 450 mooring buoys by the local NGO, Hurghada Environmental Protection and Conservation Association (HEPCA); (2) installation of an additional 50 moorings in the Northern Islands region of the Red Sea by HEPCA, financed by the private sector; (3) the reopening of five islands in the southern Red Sea to divers; (4) two Red Sea Marine Protectorate rangers stations opened in the Red Sea ports of Hurghada and Quseir; (5) 20 fully trained and equipped rangers assigned to the Red Sea Marine Protectorate; (6) an environmental training and awareness campaign by TDA, which is designed to encourage tourism developers to follow Environmental Impact Analysis (EIA) regulations and to employ construction "Best Practices" at their facilities; (7) the establishment of a Policy Implementation Unit at the TDA which organizes training workshops for hotel developers in EIA requirements and coordinates environmental policies within the TDA and with other agencies; and (8) the start of a new NGO aimed at improving environmental awareness among Tourism Investors.

EEAA has approved a draft declaration of the expanded Red Sea Protectorate. The Red Sea Mooring Buoy program is now the largest protected system in the world. Maintaining such a large number of moorings over a 700 kilometer stretch of coastline is challenging but definitely beneficial. Data collected over the last three years on the health of coral reefs in

the most heavily dived areas of the Red Sea coast (Hurghada and Safaga) show that previously damaged coral is now re-growing and new damage has been significantly reduced. The Southern Red Sea Islands have been opened to tourism and EEAA has established a visitor's fee collection system. EEAA now collects approximately LE 30,000 per month in user fees for the Southern Islands. This is an important first step to making the Red Sea Protectorate financially sustainable.

Adjustments to Plans: A new strategy was approved in January 2000. The new SO 19 includes many of the activities previously funded under this SO for the management of the environment and natural resources (ENR) in targeted sectors (SO 19). Any remaining obligations will be made under SO 19.

Selected Performance Measures:	**Baseline (1997)**	**Target (1999)**	**Target (2000)**
Percentage of sites where Coral Reef Index does not degenerate	80%	85%	88%
Percentage of sites where environmental safeguards are undertaken to eliminate coastal alteration practices which threaten reefs and mangroves	5%	20%	40%
The % of the annual O&M costs paid by EEAA's fixed budget will be used.	5%	20%	50%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Increased Use of Egyptian Universities in Quality, Demand-driven Applied Research, 263-009
STATUS: Terminating
INITIAL OBLIGATION: FY 1996; **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The valuable resources of Egyptian universities are not properly utilized in finding solutions to Egyptian development problems due to the absence of a relationship between applied research end-users and the universities. The purpose of this special objective is to improve and increase the utilization of Egyptian universities in solving key developmental and technological problems, through joint, demand-driven applied research activities with counterparts from U.S. universities. The beneficiaries are the different end-users whose problems will be addressed by the applied-research activities. These include ultimate beneficiaries such as individuals in a health or education research activity or intermediate beneficiaries, who disseminate the results and recommendations of research. Secondary beneficiaries include the implementing agency of the grant system whose capacity to implement a research grant system will be enhanced. The Egyptian researchers participating in applied research are also secondary beneficiaries, as their research capacity will be enhanced through joint applied research activities.

Key Results: Achievements to date include the award of 53 linkage grants funded at $10.5 million to nine Egyptian universities and 43 U.S. universities. Eighteen of these grants are with eleven historically black colleges and universities. A recent sample of 41 of the grants indicated that 100% met the requirement for cost sharing, some by as much as 133%, greatly exceeding the target of 50%. Furthermore, 87.5% of the grants showed economic returns on investments in research of greater than 30%, which exceeds the activity target of 25%.

Performance and Prospects: An external assessment indicated that the project has responded to end-users' needs and has also resulted in new respect for, and confidence in, the ability of Egyptian university scholars to solve "real world" end-user problems.

The project has strengthened and institutionalized the process of utilizing university researchers and encouraged long-term relationships between participating Egyptian and U.S. universities. It has also developed and sustained a strong relationship between Egyptian universities and end-users by a demand-driven research process, actively involving these end-users in each stage of the applied research process. The project has emphasized assistance to private sector end-users and solving problems related to private sector growth and development.

USAID has provided technical assistance in project and financial management, technical assistance from U.S. universities to help Egyptian counterpart universities with the design and conduct of applied research addressing Egyptian end-user problems in various sectors, and procurement of needed laboratory equipment.

Adjustments to Plans: This activity will terminate in 2001 and will not be incorporated into the new mission strategy.

Other Donor Programs: No other foreign or international donors are involved in this area. The Government of Egypt (GOE) and Egyptian end-users benefiting from the research are contributing an average of 40% of the local currency costs of the activity.

Principal Contractors, Grantees or Agencies: The main contractor providing technical assistance is Mendez-England and Associates, which provides assistance in financial and project management to the principal implementing agency and the Foreign Relations Coordination Unit of the Egyptian Supreme Council of Universities. The grantees are the Egyptian and U.S. universities receiving applied research grants. One third of the grants are devoted to linkages with historically black colleges and universities.

Selected Performance Measures: The selected indicators below measure success of research activities and will be measurable only after these grants are implemented in 2000. An assessment measuring these indicators will be conducted in the second half of 2000.

	Baseline (1996)	**Actual (1998)**	**Target (1999)**	**Target (2000)**
Full Grants	0	41	50	60
Percent of implemented research grants with significant end-user cost sharing	0	100	50	50
Percent of completed grants having an internal rate of return greater than 30%, based on a sample	0	87	25	25

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Decision Support Services Project, 263-010
STATUS: Strategy revised in FY 2000; see new SpO 21
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Members of the legislature need relevant and reliable information for use in legislative, advisory and oversight functions. Without improved library and information services and the skills to use these services, members cannot effectively represent popular opinion in public decision making. The purpose of this special objective (SpO) is to enhance the quality and impact of legislative, advisory and oversight functions carried out by the legislature by providing relevant and reliable information services and expanding the use of information. While the ultimate beneficiaries of this SpO are all the citizens of Egypt, the direct beneficiaries are the 454 elected members of the People's Assembly (PA), the 264 members of the Shoura Assembly (SA) and 450 staff of the PA/SA information services and administrative infrastructure.

Key Results: The purpose of this SpO is to increase the use of information services by Egyptian legislators as they make decisions. To measure achievements under this activity, USAID has tracked PA/SA actions that indicate that more information is being used in the decision-making process. In FY 1999 both Assemblies, PA and SA, failed to meet the target of 4 and were rated at level 3. (See below for explanation of rating system.)

Performance and Prospects: **The Decision Support Services project (DSSP) includes the following components:**

- Members' Activities: observational study tours to the U.S. Congress, and possibly other legislatures, to provide comparative insights for leadership for the use of information in the decision-making process and in-house training on the use of computers;
- Public Policy Information, Research, and Analysis: in-country training and internship opportunities for parliament staff, improved access to policy resources, provision of computer systems and resources to enable the committee and research staff to carry out research functions and training and technical assistance to the parliamentary library to help it transition to a more proactive, user friendly information source; and
- Institutional Development: training, technical assistance and computers for management and automation and on-the-job training to the training unit to help the parliament institutionalize its activities and functions and ensure sustainability of activity achievements.

To date, 3,600 training opportunities in nearly 300 training programs have been delivered. Targeted staff (committee staffers, researchers, librarians and computer staff) have received in-country and overseas training in the areas of

economics, political science, law, research methodology, public policy formulation, budgeting and financial analysis, data gathering, use of library and information services and organizational behavior. In addition, 33 orientation and training opportunities have been offered to members of parliament. This included an observational study tour to the U.S. Congress and in-country computer training programs. On March 1999, the PA requested DSSP assistance in developing an electronic documentation system for the Parliament. An initial assessment was made in April 1999, and a system integrator was identified to develop and install the system. The third and last Master of Public Administration student completed studies at SUNY/Albany and began work in the computer center of the Shoura Assembly.

During the past year, DSSP has concentrated on upgrading and developing the Parliament's computer network. The initial focus was on upgrading the two central database servers, one in the PA, the other in the SA. The two new systems will enable the Assemblies to integrate their old mainframe applications with new client-server networks in the Parliament. Old data will be migrated to the new system in January 2000. During the remaining period of the project, network expansion will be completed, applications will be developed and staff will be trained in the use of the new system.

Adjustments to Plans: In November 1997, some political and technical concerns were raised from within the Parliament. USAID responded positively by adjusting the activity's implementation approach rendering it more acceptable to the Parliament's concerns. The new approach focuses primarily on establishing an adequate campus-wide information network which entails upgrading the two existing mainframes. This will allow the Parliament to achieve the fullest use of the improved analytical and research skills which have already been built through the project; allow a better dissemination of information, and provide access of MPs and staff to a wider information base. As a result, the project was extended to March 31, 2001 with the original results framework unchanged. Activities will be completed under SpO 21 in the new strategy.

Selected Performance Measures:	**Baseline (1996)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Parliament's actions indicate that more information is being used in the decision-making process	Level 1	Level 3	Level 4	Level 4

*Rating scale:

Level 1: Limited access to and impact of information on legislative actions; rhetoric predominates in legislative discourse; passive acceptance of executive initiatives and budget proposal predominates.

Level 2: Discourse references: Reliable facts and figures on government performance (accountability, integrity) and on the budget (expenditure patterns, multi-year projections, and audits) are sought referenced, interpreted and debated.

Level 3: Extensive public policy analysis and simulation modeling used by Members, particularly key committees; legislative discourse references public policy analysis, and analysis of implementation and evaluation.

Level 4: Public policy analysis and modeling integrated into legislative process via committees and debates.

Level 5: Information and analysis are used in all phases of the legislative process; lagged improvements effects are becoming measurable in the technical and substantive quality of legislative actions, in measurable impact on presentations and actions of the government, on final budget and future budget submissions, enhancement of government respect for the Parliament as a partner, and in external respect for the Parliament within the context of Egyptian expectations and functions.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Improved Civil Legal System, 263-011
STATUS: Strategy revised in FY 2000; see new SpO 21
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: The Egyptian judicial system is unable to support the expanding private sector because delivery of justice is slow and judicial personnel are not fully briefed on new laws and regulations affecting the private sector. It is set up to serve a centrally planned socialist economy and is burdened with delays and backlogs, making it susceptible to corruption.

Litigation costs are unreasonably high, and commercial users have neither fair access nor extensive confidence in the system's quality. This SpO aims to improve the civil/commercial legal system by improving the efficiency of two pilot court systems and providing training to help judges become more knowledgeable of Egyptian civil law. Direct beneficiaries are staff of the two pilot court systems (comprising approximately 40 courts that cover 10 million Egyptians and about 40% of the business and commercial cases) and the approximately 3,000 judges who receive training under this activity. Indirect beneficiaries are the overall users of civil/commercial legal system as lessons learned in the pilot courts are adopted more broadly. Ultimately, the general public and businesses will benefit from improved rule of law in Egypt.

Key Results: The activity has achieved the following results: a 41% reduction in case processing time in the pilot courts, implying more timely delivery of legal services; an 8% improvement in lawyers' perception toward pilot court operations indicating improved efficiency of the system and increased customers/users satisfaction; and a 15% increase in judges knowledge of Egyptian civil law, indicating a more accurate application of the law.

Performance and Prospects: After a slow start-up, the activity is now making good progress and direct feedback from judges confirms the significance and effectiveness of the training courses and study tours that have been conducted. The training courses improved overall performance of the judicial system and improved its responsiveness to the private sector needs.

To date, the following activities have been carried out:

- approximately 1500 judges, judicial trainers and 1200 court administrators received training in modern court management and use of computers;
- an automated typing pool is fully functional in one of the pilot courts which results in reduced case processing time and timely delivery of judicial services;
- a computer literacy lab is successfully providing training on the use of computers and electronic legal databases;
- legal research has been made easier and judges are able to review a larger number of cases and accurately apply the law by using improved legal references;
- a case initiation and receipting network has been installed in one pilot court to reduce the time required for case processing;
- judges at experimental courts are using the new computers and implementing new case management procedures;
- a court front counter reengineering manual has been completed; and
- facilitation and implementation of the new archiving procedures has also been completed.

Remaining planned activities under the Administration of Justice Support Project include: validation and replication of North Cairo Court management procedures in the Ismailia Court; adequate testing and validation of software and human re-engineering procedures; extending the availability of expatriate system analysis technical assistance until the automation solutions are robust and suitable to be recommended for adoption nationally; and ensuring that adequate personnel training and staff development have been completed at the pilot courts to assure their sustainability.

Possible Adjustments to Plans: As a result of initial delays implementing the activity and the current successful results, under the SpO 21, the activity will be extended by two years to complete the current activities and to replicate the approach fully in the second pilot court (Ismailia Court); and the funding level will be increased by $10 million, as the original estimated cost to implement the activity was low.

Other Donor Programs: USAID is currently the only donor working in this area. The Egyptian Government contributes approximately $780,000 in local currency to fund training, technical assistance and commodities to complement USAID funding.

Principal Contractors, Grantees or Agencies: USAID implements activities through a U.S. PVO, America-Mideast Educational and Training Services, Inc. (AmidEast), and the U.S. Information Agency.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1999)**	**Target (2000)**
Documented pilot court systems tested and accepted for replication by the Ministry of Justice.	0	0	1
Measurable improvement in lawyers perceptions toward court operations from less favorable to more favorable.	44%	50%	55%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Approaches to Sustainable Tourism Demonstrated 263-012
STATUS: Strategy revised in FY 2000; see new SO 19
INITIAL OBLIGATION: FY1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: In 1996, USAID initiated a small experimental program designed to preserve and protect the natural and cultural resources of the Red Sea region through the promotion of six models for environmentally appropriate natural and cultural resource-based tourism activities. Four of the six models, all pertaining to natural resource management, were completed in FY 1998. The remaining two models were for: 1) the promotion of culturally sustainable tourism at the Monasteries of St. Anthony and St. Paul, the tomb of Seti I in the Valley of the Kings in Luxor, and the Fort of Quseir on the Red Sea; and, 2) promotion of Adaptive Reuse of a historic building in Cairo. In FY 1999, USAID cancelled plans to demonstrate adaptive reuse of the historic building due to lack of interest on the part of the GOE. This SpO was extended from June to December 1999 in order to allow for the orderly completion of activities under the remaining model.

Key Results: Despite the lack of success with the demonstration of adaptive reuse in Cairo, other activities under this SpO were successfully completed. At St. Anthony's Monastery, founded in the 4th century AD, the 13th century murals in the Church have been successfully restored. The electrical and lighting systems have been upgraded and a site management plan for tourists has been developed. A book describing the restoration work will be published in CY 2000 by Yale University Press. At St. Paul's Monastery, also founded in the 4th century AD, restoration of the mill room and refectory with displays of monastery artifacts has been completed and a new guidebook to the monastery has been published. The Ottoman Fort of Quseir built in the 16th century, has been renovated with restoration work on the cistern, central tower, and battlements completed. A visitor center with displays of artifacts from the site has been completed. The Tomb of Seti 1, completed around 1304 BC, has been successfully surveyed and recommendations for conservation of the paintings and reliefs have been presented to the Supreme Council for Antiquities.

Performance and Prospects: The four activities under the cultural resources model were completed in December 1999. Since this activity is no longer active, there are no current plans to merge it into the new strategy. However, the activities to preserve Egypt's natural heritage, in particular, coral reefs, will be continued under the new strategy, under SO 19, beginning in FY 2000.

Selected Performance Measures:	**Baseline (1996)**	**Target (1999)**
Effective Models Demonstrated	0	5
Effective Models Created	5	6

ACTIVITY DATA SHEET

PROGRAM: Egypt
TITLE AND NUMBER: Improved Human Capacity Development System Linked to Strategic Priority Areas, 263-013
STATUS: Terminating. Strategy revised in FY 2000; see new SOs 16 - 19
INITIAL OBLIGATION: FY1995 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: The purpose of this activity is to improve the human capacity of Egyptian partner institutions in the economic growth, basic education, civil society, health and family planning, and environment sectors through: (1) the establishment of a strategically linked, centralized training system, and (2) a program for English language testing and training.

Key Results: The overall performance of this activity met expectations. USAID support strengthened management and technical capabilities of Egyptian public and private sector entities, including universities, non-governmental and private voluntary organizations, and other key development institutions to promote sustainable development. As a result of USAID activities: 1) training facilities and technical/managerial curricula have been significantly expanded to support administrative reform and automation; 2) the capacity to design, develop and deliver training courses and materials of high quality has been institutionalized; and 3) specialized technical teams have conducted several training needs assessments and developed training plans, primarily in the areas of economic growth and environmental management.

Performance and Prospects: In FY 1998 and 1999, USAID approved 17 training plans for activities in economic growth, environment, utilities, education, and civil society. Activities to sustain achievements to date will be continued in the new strategy under SO 16 - 19 beginning in FY 2000.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**
Number of training plans approved and human capacity indicators linked	15	7
Positive feedback on relevance and delivery of training interventions	85	91

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Environment for Trade and Investment Strengthened, 263-016			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	484,243 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	484,243 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	501,557 ESF	**3,604** ESF	989,404 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Skills for Competitiveness Developed, 263-017			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	10,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	10,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	15,000 ESF	**144,900** ESF	169,900 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Access to Sustainable Utility Service in Selected Areas Increased, 263-018			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	10,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	86,079 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	96,079 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	44,626 ESF	**35,000** ESF	175,705 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

* Includes $10.0 M in anticipated recoveries from prior year deobligations.

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Management of the Environment and Natural Resources (ENR) in Targeted Sectors Improved, 263-019			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	66,481 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	66,481 **ESF**		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	51,560 ESF	**62,000** ESF	180,041 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Healthier, Planned Families, 263-020			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	52,422 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	52,422 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	48,107 ESF	**189,500** ESF	290,029 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Egyptian Initiatives in Governance and Participation Strengthened, 263-021			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	14,042 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	14,042 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	18,650 ESF	**110,058** ESF	142,750 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Basic Education Improved to Meet Market Demands, 263-022			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	14,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	14,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	15,500 ESF	**14,300** ESF	43,800 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number:	**Accelerated Private Sector Led, Export-Oriented Economic Growth, 263-001**		
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	3,757,468 ESF	2,384,428 ESF	1,373,040 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	593,426 ESF	599,024 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	4,350,894 ESF	2,983,452 ESF	1,367,442 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	4,350,894 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SO 16, SPO, 18 and SO 19

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Increased Participation of Girls in Quality Basic Education, 263-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	25,000 ESF	2,144 ESF	22,856 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	13,389 ESF	3,784 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	38,389 ESF	5,928 ESF	32,461 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	38,389 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 22

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Increased Citizen Participation in Public Decision Making, 263-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	45,278 ESF	31,450 ESF	13,828 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	7,998 ESF	6,366 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	53,276 ESF	37,816 ESF	15,460 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	53,276 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 21

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Reduced Fertility, 263-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	88,710 ESF	64,109 ESF	24,601 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	20,048 ESF	12,245 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	108,758 ESF	76,354 ESF	32,404 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	108,758 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 20

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Sustainable Improvements in the Health of Women and Children, 263-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	272,588 ESF	203,250 ESF	69,338 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	45,494 ESF	30,815 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	318,082 ESF	234,065 ESF	84,017 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	318,082 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 20

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Increased Access to Sustainable Water and Wastewater Services, 263-006			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,279,194 ESF	1,757,256 ESF	521,938 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	100,233 ESF	103,947 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,379,427 ESF	1,861,203 ESF	518,224 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	2,379,427 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 18

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Reduced Generation of Air Pollution, 263-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	115,340 ESF	81,897 ESF	33,443 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	56,148 ESF	12,993 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	171,488 ESF	94,890 ESF	76,598 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	171,488 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SO 19

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Natural Resources Managed for Environmental Sustainability, 263-008			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	17,332 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	17,332 ESF	0 ESF	17,332 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	17,332 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SO 19

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Increased Use of Egyptian Universities in Quality Demand-Driven Applied Research, 263-009			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	18,000 ESF	5,162 ESF	12,838 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	3,578 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	18,000 ESF	8,740 ESF	9,260 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	18,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

U.S. Financing (In thousands of dollars)			
Program: Egypt			
Title and Number: Increased Use of Information Services by the Legislature in Decision Making, 263-010			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	11,542 ESF	6,023 ESF	5,519 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	939 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	11,542 ESF	6,962 ESF	4,580 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	11,542 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 21

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Improved Civil Legal System, 263-011			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	12,000 ESF	4,869 ESF	7,131 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	5,800 ESF	4,663 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	17,800 ESF	9,532 ESF	8,268 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	17,800 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Strategy revised in FY 2000; refer to SPO 21

	U.S. Financing (In thousands of dollars)		
Program: Egypt			
Title and Number: Improved Human Capacity Development System Linked to Strategic Priority Areas, 263-013			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	44,300 ESF	13,409 ESF	30,891 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	11,441 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	44,300 ESF	24,850 ESF	19,450 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	44,300 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Egypt

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds [1]	815,134	775,000	727,267	695,000
P.L. 480 Title II	1,288	457	621	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**816,422**	**775,457**	**727,888**	**695,000**
Operating Expenses	1,669	1,866	1,850	2,050
Trust Funds [2]	17,845	37,621	23,447	16,768
Total Operating Costs	**19,514**	**39,487**	**25,297**	**18,818**

[1] FY 1999 ESF excludes $4.732 million prior year reobligation

[2] OE Trust Funds include $17.809 million in FY 1999 and $3.280 million in FY 2000 for New Office Building

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	71	64	60	56

Other U.S. Citizen	7	5	5	5
FSN/TCN	238	242	242	242
Subtotal OE Funded	**316**	**311**	**307**	**303**
Program Funded*				
U.S. Citizen	5	6	10	10
FSN/TCN	23	23	17	17
Subtotal Program Funded	**28**	**29**	**27**	**27**
Other				
TAACS	0	0	1	1
Fellows	0	1	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**1**	**1**	**1**
Total Work Force	**344**	**341**	**335**	**331**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
263-016 Environment for Trade and Investment Strengthened							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	486,748	0	0	0	14,809	0	501,557
- P.L. 480/II	0	0	0	0	0	0	0
263-017 Skills for Competitiveness Developed							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	15,000	0	15,000
- P.L. 480/II	0	0	0	0	0	0	0
263-018 Access to Sustainable Utility Service in Selected Areas Increased							
- DA	0	0	0	0	0	0	0

- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	4,404	39,639	0	583	0	44,626
- P.L. 480/II	0	0	0	0	0	0	0
263-019 Management of the Environment and Natural Resources (ENR) in Targeted Sectors Improved							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	50,000	0	1,560	0	51,560
- P.L. 480/II	0	0	0	0	0	0	0
263-020 Healthier, Planned Families							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	44,500	0	0	3,607	0	48,107
- P.L. 480/II	0	0	0	0	0	0	0
263-021 Egyptian Initiatives in Governance and Participation Strengthened							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	17,306	1,344	0	18,650
- P.L. 480/II	0	0	0	0	0	0	0
263-022 Basic Education Improved to Meet Market Demands							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	15,500	0	15,500
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0

- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	486,748	48,904	89,639	17,306	52,403	0	695,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Richard M. Brown

The United States Agency for International Development

INDIA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

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- Program/Sector Summary

Introduction

USAID's program in India prior to the imposition of sanctions responded to three key U.S. national interests: (1) economic prosperity achieved through opening markets, especially financial markets; (2) global issues of population growth, infectious diseases, and climate change; and (3) development and democracy concerns of alleviating poverty, reducing malnutrition and improving the status of women.

As a result of India's May 1998 nuclear tests, sanctions imposed under the "Glenn Amendment" terminated U.S.G. assistance to opening financial markets and other non-humanitarian instance. Thus, a program to bring India's securities' markets to international standards of transparency and efficiency ended with the job only half-done. Other ongoing and planned non-humanitarian assistance such as private sector and business development, state fiscal policy and infrastructure regulatory reform and e-commerce/information technology development terminated or did not start.

India is faced with many daunting constraints. The consolidated fiscal deficit (center, state and public sector undertakings) is one of the highest among large countries. Inadequate infrastructure finance and public sector ownership of most core infrastructure are principal constraints to fast economic growth and poverty reduction. India's high rate of population growth, increasingly concentrated in urban areas, has important implications for the environment and health, especially for the poor. India, with the largest number of HIV infected persons of any country in the world, tuberculosis as the leading and growing cause of death, and polio still not eradicated, is an important contributor to the world's caseload of infectious diseases. India is the sixth largest and second fastest growing producer of greenhouse gases (GHG). India continues to have the largest concentration of poor in the world, more than 350 million. Despite gains in food production, half of its children are malnourished. India's progress in slowing population growth, reducing GHG emissions, slowing the spread of infectious diseases and reducing poverty are critical to successfully addressing U.S. global issues, development and democracy concerns.

If sanctions on non-humanitarian assistance are waived or eliminated, USAID will resume the financial markets program and explore starting activities in fiscal policy reform, infrastructure and e-commerce/information technology. The potential for contributing to the opening up of the Indian economy and contributing to U.S. trade and investment opportunities through successful programs in these areas is enormous.

The Development Challenge

India's ability to achieve sustainable growth and reduce poverty depends greatly on its ability to stabilize population growth. India already has a population of one billion; it will surpass China's by 2040. A major contributing factor to India's rapid population growth is the lack of access to reproductive health services. Hence, the USAID program to stabilize population growth focuses on improving the quality of, and access to, family planning services in Uttar

Pradesh, India's most populous state with 166 million people.

Malnutrition in more than 50% of India's children is reflected by the death of one of every nine children before reaching age five. India has 25% of the world's child deaths. USAID integrates Public Law (P.L.) 480 Title II food with development assistance resources in activities that provide supplementary feeding and basic health services to mothers and children. USAID is working with Cooperative for Assistance and Relief Everywhere (CARE) and Catholic Relief Services (CRS) to feed and deliver health services daily to seven million of India's poorest people. The overall impact of the unique food aid driven child survival program has been to: (a) increase the percentage of children under two years receiving supplemental food; (b) improve access to immunization in program areas; and (c) increase access to iron-folate supplements by pregnant women.

Food assistance also helps USAID respond rapidly to natural disasters. As a result of the recent super-cyclone that hit Orissa, over 10,000 died and about 16.3 million persons were affected. USAID, through its private voluntary organization (PVO) partners CARE and CRS, was the first agency to provide assistance. To date, $3.3 million in materials and $4.1 million in food have been provided to about 1.2 million cyclone victims.

India's commitment to accelerated economic growth, coupled with its massive population, has serious implications for the environment. India's three largest metropolitan cities rank among the 10 worst polluted in the world. Air pollution and inadequate access to clean water and sanitation add to the incidence of chronic respiratory diseases and other communicable illnesses, especially among the urban poor. The growing demand for power, fueled largely by high-ash coal, makes India a major and increasingly significant contributor, to global warming. USAID assists the Indian power sector to adopt energy-efficient technology for power generation and distribution that will result in less GHG emissions. A USAID-funded pilot activity has already helped the National Thermal Power Corporation, which generates over 25% of India's thermal power, to cut carbon dioxide emissions by nearly one million tons annually, with a potential to mitigate another two million tons per annum.

USAID assists India's cities to reduce the debilitating impacts on health of the urban poor from urban pollution by introducing new approaches to urban environmental planning and urban water supply and sanitation systems. Technical and capital assistance already helped create a $250 million build-operate-transfer water supply and sewerage project in the city of Tiruppur that will contribute to improving the health of the city's poor. USAID assistance also enables the Self-Employed Women's Association (SEWA), a successful micro-finance institution in Ahmedabad, to explore community-based partnerships for environmental infrastructure improvements in urban slums.

India is one of the world's epicenters for HIV/AIDS and has more HIV infected people (3.5 million people) than any other country. USAID, through interventions in Tamil Nadu, has contributed to a measurable increase in condom use by high-risk groups. A major expansion of the HIV/AIDS initiative to the state of Maharashtra, which has the largest number of HIV/AIDS positive people, was launched in FY 1999. In addition to the HIV/AIDS prevention program, USAID activities encompass tuberculosis treatment, anti-microbial resistance, eradication of polio and other vaccine preventable diseases, and improved surveillance of infectious diseases.

The low status of women is tellingly reflected in India's 1991 census data, which shows a sex ratio of 927 females per 1,000 males and a female literacy rate of 39% versus 64% for males. Data from 1994 shows 43% of eligible girls are enrolled in primary school compared to 62% of boys. USAID's programs seek to increase women's decision-making power by supporting indigenous organizations in the areas of microfinance for women, girl's education through advocacy and providing teachers with the tools to increase enrollment and retention of girls and combating violence against women.

Other Donors

Seven multilateral and 13 bilateral donors provide assistance to India. The United States is the sixth largest donor after the World Bank, Asian Development Bank, European Union, Japan and the United Kingdom. USAID collaborates closely with other donors on reproductive health, HIV/AIDS and other infectious diseases, population, climate change, urban environmental infrastructure and women's empowerment.

The United States Agency for International Development

India

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID/India requests $46,550,000 of DA, $20,676,000 of CS/D, $5,000,000 ESF, and $92,485,000 of P.L.480 Title II for the FY 2001 program of assistance to India. The program will continue to stabilize population growth, cut pollution in power generation and cities, reduce transmission of HIV/AIDS and other infectious diseases, empower women, and meet food needs of India's poorest populations.

ACTIVITY DATA SHEET

PROGRAM: India
TITLE AND NUMBER: Reduced Fertility and Improved Reproductive Health in North India, 386-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $14,500,000 DA; $3,500,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $26,000,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This strategic objective (SO) responds to the global issue of stabilizing population growth under the Mission Performance Plan. With nearly a billion people, India accounts for 16% of the world's population, and adds a further 18 million people a year - one fifth of global population growth. The purpose of this SO is to reduce the current high level of fertility and improve women's reproductive health in North India. The direct beneficiaries are women of childbearing age (15-49) in Uttar Pradesh (UP), totaling approximately 30 million women. Couples of reproductive age throughout India will benefit from the broader commercial availability of family planning and other reproductive health products. Secondary beneficiaries are children under age five, in particular, female children whose survival will be enhanced by the program. The major intervention under this SO is the Innovations in Family Planning Services (IFPS) activity implemented in UP, India's most populous state (166 million). FY 2000 and FY 2001 resources will continue to support this critical intervention.

Complementary to IFPS is the Program for the Advancement of Commercial Technology/Child and Reproductive Health (PACT/CRH) activity, designed to stimulate private sector participation and commercial partnerships for the development, promotion and availability of reproductive health and child survival technologies.

Under the IFPS activity most program interventions are focussed within 29 selected districts of UP (initially there were 28 districts and a new district was added recently). The statewide efforts include training of medical personnel, contraceptive social marketing, logistics and Information, Education and Communication (IEC). Each intervention is tried on a small scale in select areas/districts and if sound potential is demonstrated, it is scaled up in a phased manner to cover additional districts. Therefore, activities such as reproductive health camps and service site improvement cover all 29 districts, but detailed district planning efforts, which are fairly complex, are currently operational on a pilot basis in only six districts. However, the aggregated impact of the activities is significant and will apply to all 29 districts in the future. Another innovative feature of the IFPS activity is that it is programmatically driven by a performance based disbursement system wherein funds are only disbursed to GOI against achievement of specific benchmarks.

Key Results: This strategic objective (SO) is expected to significantly contribute to reducing fertility and improving

reproductive and child health in north India. The intermediate results are: (1) increased use of reproductive health services; (2) increased quality of family planning services; and (3) increased use of family planning services. A comprehensive set of three annual indicators was established in FY 1999.

A moderate amount of CSD funds are used to increase access to integrated reproductive and child health care through public and private health delivery systems. The Traditional Birth Attendants (TBAs) training program on safe delivery practices and Maternal and Child Health care will be expanded in 29 districts of UP to reduce maternal and neonatal deaths. Maternal iron-folate, tetanus immunization status and child immunization coverage will be improved through community-based outreach programs and Reproductive and Child Health (RCH) Camps. USAID promotes improved birth spacing as a key child survival intervention. Spacing methods increased 25% in the project area. The percentage of deliveries attended by trained providers has increased 74% since 1995. Iron-folic acid (IFA) status for mothers has marginally increased due to the lack of GOI IFA supply nationwide. The percentage of pregnant women who have received two doses of tetanus toxoid has increased by almost 50% since1993. Finally, over the last year over 6,500 providers have been trained to deliver quality RCH services.

Recent population-based surveys indicate that average number of children per woman has declined by 20% in the past seven years in UP. The Contraceptive Prevalence Rate (CPR) increased from 21% to 24.5% in the past three and half years, an over all increase of 17% in the 28 districts of UP. A substantial portion of this increase can be attributed to an increase in the use of spacing methods; for example, pill use increased by 25% and condom use by 32% during this period. More than 11,000 RCH camps have been conducted to increase the reach of antenatal and child immunization coverage in IFPS districts of UP during past three years.

Performance and Prospects: USAID continues to play a major role in introducing new service approaches and technologies to improve quality, increase access and stimulate demand for reproductive health and family planning services. Considerable progress has been made and the program is rapidly expanding in 29 districts of UP, covering a population of 72 million. Since the inception of the IFPS project, over 380 grants, which include nearly 210 grants to non-government groups have been made in UP. About 170 grants have also been provided to the public sector to improve provider training, skill services and counseling.

To improve the access to quality reproductive health services an integrated public/private sector programming approach was initially tried in six districts. This has proved to be very successful in providing integrated care for mothers, children and fathers. It is being expanded to six more districts and will serve as a model for the entire state in the future. In addition to this a statewide communications campaign in UP was launched, in which 10,000 health workers were trained and provided counseling materials. Additionally, the demand for family planning is being increased through local folk performances and radio and television spots. Further, a four-state generic campaign "Goli Ke Hamjoli" to promote acceptance and use of oral contraceptives in urban areas of north India has also been launched. Recently, the Asian "PR" News judged this campaign as the best Healthcare Campaign of the Year. Complementary to these demand generation activities, a statewide contraceptive social marketing project will soon be implemented for the promotion and distribution of condoms and oral contraceptives. These activities will broaden access to temporary contraceptive methods, allowing couples more choice in planning their family.

The fieldwork for the second National Family Health Survey (NFHS) has been completed in all states except 3 states in the northeast. Preliminary data for four North Indian states covered under this SO and four other large states is already available and all India estimates on key health indicators will be available by mid-2000. The NFHS-2 data is extremely valuable as it helps to track health trends over time.

Possible Adjustments to Plans: The options for integrating select child survival, sexually transmitted disease prevention and HIV/AIDS interventions in the IFPS activity in UP will be explored. The option of implementing a new maternal/neonatal health activity will also be considered.

Other Donor Programs: The World Bank, United Nations Population Fund, United Nations Children's Fund and the British Department for International Development program provide complementary donor support in reproductive health, safe motherhood and child survival. USAID's program has introduced a number of innovative approaches to supporting both public and private sector efforts, some of which have been incorporated into a major new initiative in reproductive health being launched by the World Bank.

Principal Contractors, Grantees or Agencies: The major grantees are the State Innovations in Family Planning Services Agency and ICICI Limited. Technical cooperating agencies include: AVSC International, Cooperation for Assistance and Relief Everywhere, Center for Development and Population Activities, Johns Hopkins University/Population Communication Services, Deloitte Touche Tohmatsu, University of North Carolina, International Training in Health -

PRIME Project, MACRO International Inc., Program for Appropriate Technologies in Health, Population Reference Bureau, Population Council, Bureau of Census, and John Snow, Inc.

Selected Performance Measures:	**Baseline (1997)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Number of IFPS-trained public sector providers performing to standards as defined by standardized clinical protocols.	69 (1997)	2,336	3,933	4,343
Contraceptive Prevalence Rate.	20.9% (1995)	25%	27%	29%
Percentage of deliveries attended by a trained provider.	17% (1993)	34%	35%	36%

Note: Indicators are for the 28 PERFORM districts of Uttar Pradesh

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: India
TITLE AND NUMBER: Improved Child Survival and Nutrition in Selected Areas of India, 386-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $3,000,000 CSD; $82,372,000 PL 480 Title II
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $3,000,000 CSD; $92,485,000 PL 480 Title II
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: This strategic objective (SO) responds to the U.S. national interest of poverty reduction and improving health under the Mission Performance Plan. One-third of India's one billion people lack adequate food. More than half of India's young children (73 million) are underweight (more than two and a half times the number of malnourished children in Africa) and chronic maternal malnutrition is high, one of every nine children die before the age of five. Poor access to health care, high illiteracy rates and poor nutrition and health practices contribute to the high mortality and malnutrition. Poor women and children, particularly in remote rural and tribal areas, have the greatest mortality risks. The purpose of this SO is to reduce the high levels of child mortality and malnutrition. The major activity that contributes to this SO is the P.L.480 Title II program under which food aid is integrated with Government of India (GOI) and non-governmental resources to improve key child survival interventions such as immunization, breast feeding and timely complementary feeding. The Title II program is being implemented by two major non-governmental organizations (NGOs) namely Cooperative for Assistance and Relief Everywhere (CARE) and Catholic Relief Services (CRS) and reaches more than seven million women and children. Through the GOI's Integrated Child Development Services (ICDS) program, CARE supports a network of over 100,000 village centers. CRS, working through private registered social service societies, including programs managed by Mother Teresa's and the Dalai Lama's organizations, reaches women and children who are not served by the GOI's ICDS.

A bilateral activity, the Program for Advancement of Commercial Technology/Child and Reproductive Health (PACT/CRH), complements the Title II program. It provides support at the national level for child survival technologies aimed at increasing commercial marketing and distribution of quality child survival products and services such as Oral Rehydration Salts (ORS) and vaccines.

In FY 2001, USAID/India plans to initiate a new activity that would strengthen the child survival impact of the food aid program, as described in the section below on Possible Adjustments to Plans.

Key Results: Among the multiple factors influencing child survival and nutrition, three key intermediate results were identified by USAID as critical to achieve this objective: (1) increased use of key child survival interventions; (2) improved maternal and child nutrition; and (3) improved targeting of at-risk populations.

Performance and Prospects: Recent mid-term reviews (MTRs) of the CARE and CRS Title II programs validate that the program strategy of using food to draw children and mothers into programs where they can receive health care services is sound and it works. Overall progress achieved by the programs is encouraging. The CARE MTR has found the program to be successful in testing models and field implementation strategies to improve child survival and health; energizing the essential collaboration between the two key GOI departments involved in the program - Women and Child Development

and Health; and in engaging and empowering communities for better child survival and nutrition. Also the MTR pointed out key areas that need strengthening. The NGOs and Mission are working towards implementing the key recommendations. The MTR also noted that greater focus is required on maternal health issues such as quality antenatal care, distribution of iron-folate tablets and safe delivery. Since maternal/child, nutrition and health issues are inextricably linked to low birth weight (one of every three children born), USAID will specifically focus, within its overall child survival strategy, on strengthening the delivery of interventions for improving maternal health under the existing Title II portfolio.

Almost 600,000 Indian children die each year from diarrheal dehydration. Under the PACT/CRH activity, ICICI Limited launched a promotion campaign to position ORS as the scientific, doctor-recommended, first-line product for all cases of childhood diarrhea. In order to support the increased demand, three commercial firms entered a Memorandum of Understanding to make the World Health Organization's (WHO) composition of ORS widely available in retail outlets. Other PACT/CRH interventions aim to improve the knowledge of health providers of key child health services such as breast-feeding, diarrheal disease management and immunization through continuing education, distance education programs and on-line information networks.

A large USAID-World Bank funded Deworming and Enhanced Vitamin A (DEVTA) trial covers 8,000 villages and about one million children. It will validate the impact of enhanced Vitamin A coverage and deworming on mortality and growth of children and provide a sustainable model for improved delivery of micronutrients, including Vitamin A. The study will be completed during 2003. Also, a feasibility study of working with the commercial sector to expand access to micronutrients is being currently conducted. Finally, operations research opportunities with the Indian Council of Medical Research (ICMR) and the U.S. National Institute of Child Health and Human Development (NICHD) are being explored.

Possible Adjustments to Plans: During FY 2000, USAID will define options and activities to further strengthen the child survival impact of its food aid program and selected reproductive health activities, as well as, include other activities such as micronutrient interventions to improve child survival in India. While recent evaluations of the Title II programs indicate good results, it is increasingly apparent that USAID and its partners could significantly expand the child survival impact of the program with cash resources beyond the section 202(e) funds and minimal monetization levels. Child Survival funding will be required to enhance the quality, coverage and number of maternal and child survival interventions such as vitamin A delivery, immunization and antenatal care.

Other Donor Programs: Other donors working in the nutrition and health sector include the United Nations International Children Emergency Fund (UNICEF), the World Bank, the Swedish International Development Agency, and the World Food Program. The GOI funds all ICDS services, program personnel and infrastructure for the CARE program, as well as in-country transportation and storage costs for all P.L.480 Title II commodities.

Principal Contractors, Grantees or Agencies: USAID implements the P.L.480 Title II India program through two U.S. NGOs namely CARE and CRS. The PACT/CRH is implemented through ICICI Limited, with U.S. technical assistance from Program for Appropriate Technology in Health (PATH), NICHD and ICMR.

Selected Performance Measures:	**Baseline (1996)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Percent of children fully immunized by age one	28	37	40	44
Percent of pregnant women who received 90-100 iron-folate tablets	13	27	30	35
Percent of infants who received breast-milk And solid-mushy foods at 6-9 months of age	46	58	62	65
Percent of children under-two enrolled in the supplemental feeding program	40	52	56	60

Note: Data and targets are from CARE program

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: India
TITLE AND NUMBER: Increased Environmental Protection in Energy, Industry and Cities, 386-004
STATUS: Continuing

PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $9,400,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $9,250,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2007

Summary: This strategic objective (SO) responds to the global issue of environmental protection under the Mission Performance Plan. This SO increases efficiency and reduces greenhouse gas (GHG) emissions in the electric power and industrial sectors and provides commercially viable water and sanitation services for the urban poor. Urban solid waste management activities also contribute to a reduction in GHG. India is the sixth largest and second fastest growing producer of GHG in the world. Electric power generation is the major source of GHG emissions in India, accounting for 48% (or 71 million tons annually) of India's carbon emissions from fossil fuels.

The rapid growth in India's urban population has put tremendous strain on urban environmental infrastructure, including water supply, sanitation, and sewerage systems. Close to 40% of the urban population live in slums and squatter settlements with poor or no access to these basic services, causing severe health problems to the most vulnerable group of the population.

In FY 2000 and FY 2001, USAID will continue to fund the following four on-going activities: Trade in Environmental Services and Technologies which assists Indian industries to adopt energy efficient practices that are cost effective, productivity enhancing, and reduce GHG emissions; the Greenhouse Gas Pollution Project which aims to mitigate the increase in GHG emissions through increased efficiency in electricity generation and promotion of non-conventional energy sources; the Energy Conservation and Commercialization activity which promotes reduction in the rate of growth of GHG through the widespread commercialization of energy efficient technologies and services in India; and the Financial Institutions Reform and Expansion (FIRE) activity which works with local and state governments to develop, package and implement urban environmental infrastructure projects that improve access to basic services by the poorest and the most vulnerable groups of the population.

Key Results: Achievement of three key results by 2002 will indicate the success of this SO: (1) increased avoidance of carbon dioxide emissions; (2) increased number of firms that meet international environmental quality standards in selected industrial sectors, and (3) increased number of local governments/authorities with urban environmental management tools available to them.

Performance and Prospects: USAID's energy portfolio is designed to reduce GHG emissions by increasing both supply- and demand-side energy efficiency and increase overall power sector efficiency through improved regulatory institutions. USAID technical assistance resulted in the first international partnership by our Federal Energy Regulatory Commission with the Indian Central Electricity Regulatory Commission. The design and adoption by the Bureau of Indian Standards of an Indian energy label was another first made possible with USAID assistance. USAID continued its successful energy training program with a focus on power sector regulatory reform and restructuring.

Six USAID-supported sugar co-generation power plants have been commissioned resulting in nearly 400 million kilowatt hours of clean power generation capacity. USAID support for renewable energy has resulted in domestic lighting of nearly 3,000 rural homes and 100 water pumping installations for poor tribal farmers using solar photovoltaic technology. USAID facilitated financial assistance totaling $2.7 million in loan funds to two renewable energy projects (mustard husk briquettes to be used as fuel for power plants and commercialization of a totally battery powered electric car 'REVA') from previous USAID-ICICI Limited project re-flow funds.

A "Joint Statement on Cooperation in Energy and Related Environmental Aspects" was signed by the U.S. Energy Secretary, Bill Richardson, and the Indian External Affairs Minister, Jaswant Singh, on October 26, 1999. USAID led the design and implementation of an inter-agency Climate Change Strategy, with strong support from the Ambassador. The strategy supported Indian industry, academic, and non-governmental organization (NGO) partnerships to identify opportunities for investments in India through climate change mitigation partnership projects. As a result, there has been a significant shift in the GOI's willingness to participate in global climate change action. This shift has resulted in broad-based Indian understanding and acceptance of the benefits from a market-based approach to GHG reduction; 15 climate change mitigation projects are under development with private sector partners. USAID supported the establishment of two "Global Climate Change Information and Facilitation Centers" which are now providing information resources and technical assistance to NGO's, government agencies, and the private sector.

USAID assistance also strengthens incentives for: adoption of energy efficient technologies; certified environment management systems; and the enhancement of capacity of Indian industry to incorporate such technologies and practices into their operations. This assistance strengthens GHG reduction efforts. Energy intensive sectors, with high GHG emitting potential such as textiles, paper, automobiles and steel were targeted for assistance in the first project phase.

Three firms have received ISO 14001 certification to date, three more will receive certification in December 1999, and nine more are on track for certification by March 2000.

USAID's technical assistance to the Pune Municipal Corporation in the preparation of an Environmental Status Report has led 11 other cities in Maharashtra to replicate the application of this innovative "tool kit". USAID provided a small grant to the Gujarat Mahila Housing SEWA Trust, a renowned women's self help organization, to facilitate small loans to low income families for accessing basic services. The Housing and Urban Development Corporation (HUDCO) completed the borrowing of $10 million from the U.S. capital markets under USAID's Urban and Environmental Credit Program to help finance water supply, sewerage and solid waste-to-energy projects in the cities of Nagpur and Surat. On their completion, these projects will provide access to water supply and sanitation services to approximately one million urban poor.

Possible Adjustments to Plans: The urban environmental program will seek to design financing for new municipal projects using the Development Credit Program to integrate energy, urban, and natural resource aspects of climate change mitigation.

Other Donor Programs: USAID works closely with the World Bank, the British Department for International Development, and the Asian Development Bank on power sector reform and restructuring and on urban environmental infrastructure development.

Principal Contractors, Grantees or Agencies: Principle grantees and contractors include: International Resources Group; Tetra Tech; U.S. Department of Energy; Winrock International; Institute of International Education; United States Energy Association; Hagler Bailly Services Corporation; and The Communities Group Inc. Indian partners include: Ministry of Power; central and state electricity regulatory commissions; state and private sector power utilities; ICICI Limited; Industrial Development Bank of India; National Thermal Power Corporation Limited; Confederation of Indian Industry; Society for Development Alternatives; National Institute of Urban Affairs; Housing and Urban Development Corporation; and Infrastructure Leasing and Financial Services Limited.

Selected Performance Measures:	**Baseline (1995)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Emissions of carbon dioxide equivalents avoided (in million tons)	0	1.93	5.29	8.52
Increased number of firms that meet international environmental quality standards in selected industrial sectors (number of firms)	0	10	15	20
Increased number of local governments/authorities that have one or more of the urban environmental management tools (cumulative)	1	8	10	12

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: India
TITLE AND NUMBER: Reduced Transmission and Mitigated Impact of Infectious Diseases, especially STD/HIV/AIDS in India, 386-007
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $15,000,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $17,000,000 CSD
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: This strategic objective (SO) responds to the global issue of improving health under the Mission Performance Plan. India has the largest number of HIV infected persons worldwide. In FY 1992, USAID responded to early evidence of a growing problem of Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) in India by developing the AIDS Prevention and Control (APAC) activity in the south Indian state of Tamil Nadu-one of India's three recognized HIV epicenters. The ten- year APAC activity was developed to prevent and control sexual transmission of HIV among groups engaging in high-risk behavior by using proven strategies for behavior change, such as, increasing access to, and utilization of, high quality condoms, and expanding access to, and utilization of, quality treatment for sexually transmitted diseases (STD).

In FY 1999, USAID expanded its program to include the state of Maharashtra, which accounts for over 50% of reported AIDS cases in India. AVERT, a seven year, $41.5 million program will fund comprehensive prevention and care

programs in the cities of Mumbai, Pune, Thane and Sangli, where more than 80% of Maharashtra's sex workers live and work. The activity helps strengthen the capacity of the state government and non-governmental organizations to respond to the epidemic and particularly addresses issues of women and children.

Additional support for the above activities includes the Program for Advancement of Commercial Technology/Child and Reproductive Health (PACT/CRH) which is strengthening the private sector to improve access to and use of quality health products and services, especially condoms. Two other priorities under this strategic objective are reducing the impact of other infectious diseases (such as polio and tuberculosis) and strengthening key aspects of India's surveillance system.

FY 2000 and FY 2001 funds will continue ongoing activities with APAC, AVERT, and PACT/CRH, polio, and other infectious diseases.

Key Results: The SO seeks to achieve reduced transmission of HIV/AIDS and related infectious diseases in Tamil Nadu. The results are: (1) increased number of individuals belonging to specified high-risk groups who report increased condom use in most recent sexual encounters with a non-regular partner; (2) increased number of individuals with STD seeking care from qualified medical practitioners in Tamil Nadu; and (3) increased number of APAC grants for AIDS prevention in Tamil Nadu.

Performance and Prospects: In the last four years, 82 non-governmental organizations (NGOs) in Tamil Nadu have been funded to carry out over 100 prevention programs for high risk groups such as truck drivers and their helpers and sex workers and their clients. In 1998, 75% of truck drivers and their helpers reported condom use during their last sexual encounter with a sex worker-up from 55% in 1996. Also in 1998, 80% of truck drivers and their helpers who had STD symptoms, reported that they sought care from qualified medical practitioners - a 16% increase in care-seeking behavior up from 64% in 1996. To improve the quality of care for STDs, more than 1,000 physicians and over 2,100 auxiliary health care providers have been trained by APAC funded NGOs. Through a collaborative effort between a commercial manufacturer and the APAC program, the number of condom retail outlets has increased from 25,000 to 42,500. In addition, over 1,300 retailers have been trained to more actively promote condoms at the point of purchase.

The Maharashtra program (AVERT) was signed into effect on September 15, 1999. Four preparatory research studies have been commissioned and negotiations for selecting the implementing partner are currently underway. USAID is also currently funding two activities that provide support to street children, children of sex workers and children of parents with AIDS for periods of critical episodes of the disease. Three more activities are being developed for funding starting in January 2000.

Under the polio eradication activity, support from USAID, the GOI and other donors resulted in a large-scale campaign, which inoculated approximately 136 million children under five years of age on a single day in both 1998 and 1999. Due to a strengthened polio surveillance system, new cases are being rapidly detected and investigated. Additional rounds of polio immunization are underway to eliminate the virus from hard-to-reach populations. USAID is supporting expanded delivery and improved surveillance for polio and other infectious diseases

A model directly observed therapy short-course (DOTS) program, initiated in March 1999, has trained over 500 individuals to carry out tuberculosis diagnosis and treatment activities in Tamil Nadu. Operational research activities have been initiated to facilitate replication nation-wide. Multi-site research studies on anti-microbial resistance and childhood respiratory infections have been initiated.

Under the PACT/CRH activity loans have been provided to private-sector manufacturers to expand the marketing and distribution of condoms and to promote rapid diagnosis of infectious diseases. PACT/CRH has assisted both condom manufacturers and the Government to improve their internal quality control capacity and procedures. PACT/CRH has also provided a grant to the Confederation of Indian Industry to develop and market packages for prevention of HIV/AIDS in industrial workplaces. Assistance also has been provided to three commercial manufacturers to develop and market low-cost rapid diagnostics for HIV, hepatitis B, chlamydia, syphilis and malaria.

Possible Adjustments to Plans: USAID plans to broaden its Infectious Disease strategy in FY 2000 beyond the state of Tamil Nadu and activities aimed at HIV/AIDS, to include other infectious diseases. For the revised strategy, a new set of indicators will be developed. USAID will explore options to expanding the HIV/AIDS activities to Pondicherry and Goa (two states that border the current HIV/AIDS programs in Tamil Nadu and Maharashtra) and program resources, as appropriate, in urban infectious diseases.

Other Donor Programs: The World Bank-funded $191 million, five-year National AIDS Control Program (NACP II) was launched in August 1999. UNAIDS coordinates the response of the UN agencies to HIV/AIDS in India. The British

Department for International Development recently initiated a $36 million HIV intervention with truck drivers to promote behavior modification and STD treatment, and also to promote behavior change programs in the Indian states of Andhra Pradesh, West Bengal, Kerala, Gujarat, and Orissa. Australia AID (AUSAID) will support HIV prevention programs in the states of Manipur, Meghalaya, Mizoram and Delhi beginning in January 2000 while the Canadian International Development Agency (CIDA) will begin its HIV activities in the states of Rajasthan and Karnataka in the summer of 2000. All donor programs are carefully coordinated under the leadership of the National AIDS Control Organization (NACO). Memorandum of Understanding have also been signed between National Institute of Health (NIH) and for HIV/AIDS- infectious disease and maternal and child health.

Principal Contractors, Grantees or Agencies: USAID provides $4 million annually to help implement the Government of India's polio eradication program (through WHO, UNICEF and Rotary). Also, $2 million has been provided to the WHO over the last two FYs for the development of a model DOTS program at the GOI's tuberculosis research center in Chennai. Since FY 1998, additional assistance ($1.8 million) was provided to WHO to strengthen the national disease surveillance program, and $2.95 million was provided to the International Clinical Epidemiology Network (INCLEN) for research on infectious diseases in India. Voluntary Health Services is the primary implementing organization for APAC in Tamil Nadu while the ICICI Limited is the central organization for PACT/CRH activities. Family Health International, a U.S. based agency provides technical assistance to both the Tamil Nadu and Maharashtra activities; Program for Appropriate Technology in Health (PATH) collaborates under the PACT/CRH activities; and INCLEN is the implementing agency for the infectious disease research activities. WHO, with technical assistance from the Centers for Disease Control (CDC) in Atlanta, Georgia, implements the tuberculosis, polio and disease surveillance activities. Finally, USAID also supports CDC in its provision of technical assistance to the Mission and GOI on HIV and infectious disease.

Selected Performance Measures:	**Baseline (1996)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Percentage of individuals belonging to specified high-risk groups who report condom use in most recent sexual encounter with a non-regular partner (Tamil Nadu)	37	52	57	62 (2002)
Percentage of population with symptomatic sexually transmitted disease (STD) seeking care from qualified medical practitioners in Tamil Nadu	52	67	72	75
Cumulative number of APAC grants for AIDS prevention in Tamil Nadu.	18	60	75	100 (2002)

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: India
TITLE AND NUMBER: Expanded Advocacy and Service Delivery Networks for Women, 386-009
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,800,000 DA; $1,250,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,300,000 DA; $676,000 CSD
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: This special objective (SpO) responds to the U.S. national interests of strengthening democracy and fostering respect for human rights under the Mission Performance Plan. Gender equality is now universally accepted as being a prerequisite for sustainable human development. In India, although some progress in women's development has been made, women continue to lag behind men. The adverse sex ratio, poor educational and nutritional status, inequality in wages and prevalence of violence against women, including coerced trafficking, point up the glaring inequalities in key areas of social, political and economic decision-making by women in India. According to the United Nations Development Program (UNDP) Human Development Report (1999), literacy rates for female were 39.4% as opposed to 66.7% for males. Perhaps the most telling is the figure for "missing women" as reflected in excess female mortality and the declining gender ratio. For example, according to the 1996 Sample Registration System Projection of the Government of India (GOI), there were only 926 females for every 1,000 males. Finally, trafficking of women and children has emerged as another major social concern.

This special objective on gender seeks to expand women's role and participation in decision-making by supporting activities in the areas of microfinance for women, girls' education, and combating violence against women. In the area of microfinance, USAID has initiated a new activity that creatively adds information technology as a tool for promoting livelihoods of low-income craftswomen. The education activity is now focussed on strengthening the capacity of

education providers including government institutions and civil society organizations to boost enrollment and retention of girls in primary schools in Uttar Pradesh (UP). Research on domestic violence financed under this objective is being widely disseminated. The challenge today is to develop a strong advocacy platform and strategy in this area.

In FY 2000 and FY 2001, ongoing activities in micro-finance for women, girls' education and violence against women will be continued. In addition, USAID will fund a new bilateral micro-finance activity to link poor women with the formal commercial banking system as well as initiate new activities in the areas of education to eradicate child labor and anti-trafficking of women.

Key Results: The special objective has three results related to the ongoing activities: (1) increased number of women clients receiving financial services from participating institutions; (2) increased number of local institutions collecting data or assisting in informed advocacy on violence against women; and (3) increased enrollment and retention of girls in primary schools in one district in Uttar Pradesh (UP).

Performance and Prospects: Through USAID assistance, Friends of Women's World Banking (FWWB) trained non-governmental organizations (NGOs) in strategic business planning which exceeded the planned target. As a result of the training, outreach of financial services to low-income women is expected to increase by almost 60%. FWWB also developed a comprehensive training module in strategic business planning, which has been field-tested and is being translated into two regional languages. FWWB also developed and is distributing an affordable financial software package to meet the demand of women's microfinance institutions, which want to better manage their loan portfolios. A major achievement of this activity is that FWWB built an excellent pool of experts drawn from trained NGOs and is using them as a resource to reach out to more organizations. The impacts of this activity have exceeded expectations. Today, these same NGOs are conducting regional training programs bringing small grassroots organizations into their fold.

Primarily research-based, the USAID violence against women (VAW) activity fills a critical information gap by establishing a national database on patterns and trends of domestic violence that can serve as an advocacy tool for effective judicial and medical responses to VAW. The research is being conducted by Indian centers on women's studies, some of whom are recognized as the best in their field. In 1999, the draft reports on best practices in the states of Maharashtra, Madhya Pradesh, Gujarat and Karnataka were completed. A summary report of the key findings was prepared and widely disseminated by the USAID grantee, the International Center for Research on Women (ICRW). ICRW researchers completed the analysis of records of police cells and hospitals on domestic violence. The studies on court records and NGO records are in their final stages of completion. The multi-site population-based survey carried out by the International Clinical Epidemiologists Network in seven different geographical sites of India was completed in October 1999. The focus throughout 1999 has been on dissemination of the research findings, refining the advocacy strategy with the aim of generating awareness around the issue of domestic violence, sensitizing stakeholders, and advocating for programs and policies to address the problem. As a result, many partner organizations are organizing advocacy campaigns, and advocating new legislation. The Indian Social Institute, a reputed local NGO, will publish an article on the research findings in their development journal, "Women's Link." The Center for Women's Development Studies, in New Delhi, has expressed an interest in placing the reports on their website. The "Beijing+5" draft report cites USAID-funded research on the subject. Considerable interest has been expressed by various women's groups to disseminate the findings and recommendations among their respective constituencies.

In FY 2000 and FY 2001, USAID will continue to address the issue of violence against women through ground breaking research on male responses to domestic violence, and documenting and evaluating community-level responses to domestic violence.

In September 1999, with USAID support, the Academy for Educational Development (AED), assumed the mandate of strengthening the organizational capacity of state education institutions like the District Institutes of Education and Training (DIETs) in UP to improve girls' education. Also, AED will work closely with the operating partners of Catholic Relief Services (CRS) and equip them with tools and knowledge to enable them to achieve the objective of increased enrollment, retention and completion of girls in schools. AED is currently in the process of setting up a girls' education coordination center, Bringing Education through Innovation (BETI), a term of endearment for daughters. It is envisaged that the BETI center, among other things, will serve as a clearinghouse for information on program interventions for encouraging girls' education; will become a repository of training materials developed by other programs; would ensure dissemination and discussion of policy, research, and evaluation studies; and build networks and coalitions for advocacy.

Possible Adjustments to Plans: USAID plans to initiate new activities in the area of microfinance for poor women and education to eradicate child labor. With Asia and Near East Bureau regional resources, new initiatives in the areas of anti-trafficking of women and children, and child labor are also planned. We plan to work with federations of poor women's self help groups to help strengthen their capacity in accessing and managing loans; link them with commercial

banking systems; and to help make these federations financially viable. USAID will review and revise this special objective's results framework to incorporate results for the new activities.

Other Donor Programs: The UN agencies, World Bank, British Department for International Development (DFID), Swiss, Dutch and Canadian Governments support credit and enterprise programs for women. Most of these programs focus on women's self-help group formation and development of home-based enterprises. USAID focuses on upgrading the technical and managerial capabilities of non-traditional financial institutions, which, by operating on a sound, sustainable basis, will increase the quality and quantity of the financial services they provide to women.

Donors such as the World Bank, the DFID and the UN agencies largely dominate the primary education sector in India through their support to the GOI's District Primary Education Program to improve coverage and quality of primary education in several Indian states. However, none of these donor programs have a specific gender focus or address specific and sensitive factors affecting girls' participation in school. Similarly little attention has been given to strengthening the capacity of education providers (both public and private) or informal schools for inaccessible communities. USAID activities fill a critical gap by strengthening the capacity of public and private education providers such as CRS in promoting girls' primary schooling in UP. The BETI center will help carry this agenda further through its advocacy and alliance building role.

In the violence against women area, other donors have assisted support services or legal awareness programs.

Principal Contractors, Grantees or Agencies: Academy for Educational Development (AED), International Center for Research on Women (ICRW) and sub-grantees, Friends of Women's World Banking (FWWB), PeopLink, and other local institutions.

Selected Performance Measures:	**Baseline (1996)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Increased number of participating institutions trained in strategic business planning	0	50	N/A	N/A
Increased number of local institutions collecting data or assisting in informed advocacy on violence against women	0	30	N/A	N/A
Training module being used in 'X' new blocks in Uttar Pradesh	0	12	6	N/A

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: India
TITLE AND NUMBER: Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources, 386-011
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $9,000,000 DA; $5,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: This strategic objective (SO) will respond to the U.S. national interest of economic prosperity including broad-based growth under the Mission Performance Plan. The launch of this SO is contingent upon the lifting of sanctions on non-humanitarian assistance. The purpose will be to increase the capacity of financial markets and government to transparently and efficiently mobilize resources for development. The SO will build on past successes in financial markets development and will initiate activities in areas which have been identified as high priority to achieving economic growth.

Today, India is a large ($400 billion) economy. However, with 35% of its one billion population living below the poverty line, it has more poor people than Africa and Latin America combined. In 1997, per capita Gross National Product (GNP) was $390, placing India in the bottom quartile of a ranking of 157 countries. Absolute poverty remains large because the post-independence Indian economy has substantially under-performed relative to its potential. Accelerated growth is essential for significant reduction of poverty in India. The drop in the percentage of people living below the poverty line from about 55% to 35% since 1973-74 is mostly attributable to economic growth (World Bank Report, 1997). There is a widespread consensus that India can achieve a trend rate of growth of at least seven percent, provided it launches a second generation of economic reforms. A two percentage point increase in annual economic growth from the current five percent to seven percent, sustained over the next fifteen to twenty years, would make a significant contribution to poverty

reduction in India.

Higher economic growth and poverty reduction require major reforms. Financial markets must do a much better job of mobilizing and allocating domestic and international financial resources than at present. While significant improvements have been made in financial markets efficiency and transparency in the past five years, the job is only half done. In the areas of monitoring and surveillance, secondary debt market development, and self regulations the markets remain below international standards. Securities markets have barely begun to be tapped to raise capital for urgent infrastructure projects, which is conservatively estimated at $350 billion by 2006.

A prudent and fair fiscal policy that is efficiently administered at both the center and in the states is urgently needed. At present, India's performance in fiscal policy and administration is weak. Deficits are much too high by any standard. The tax base, is too narrow. Expenditures on unmerited subsidies are excessive, and administration is uneven. The consolidated fiscal deficit (center, states and public sector undertakings) in 1998-99 stood at over 10% of the gross domestic product (GDP). Much of the problem is at the state level with states contributing nearly 3.9% of GDP to the consolidated fiscal deficit in 1998-99. Increased state governments' borrowing to finance the deficit is pushing up interest rates and crowding out private sector borrowings. Sharp reductions in capital expenditure, in attempts to reduce the fiscal deficit, is also leading to large cutbacks in infrastructure development at the state level.

Adequate physical infrastructure - roads, ports, and a dependable and widespread telecommunications network that supports a speedy and vibrant information highway-are fundamental to faster economic growth. Surveys of multinational and domestic business have cited inadequate infrastructure as one of the main constraint to investing in India.

To deal with the above problems, the Mission plans to initiate and fund in FY 2001, the regulatory component of the FIRE activity and the state fiscal reform and infrastructure development activity.

Key Results: Performance measures will be identified during the design phase of activities.

Performance and Prospects: The Mission already has extensive experience in working in financial markets reform through the Regulatory component of the Financial Institutions Reform and Expansion (FIRE) activity. Some design work has been done earlier on state-level fiscal policy reform and an infrastructure program. Accordingly, the start-up of this SO is expected to be within the anticipated timeframe.

Possible Adjustments to Plans: Strategic Objective 11 will commence with resumption of the Regulatory component of the FIRE activity. The activity will initially focus on raising India's securities markets to international standards of transparency and efficiency. Components will be added, as needed, to assist private participation in insurance and pension fund management, in order to expand availability of long-term capital for infrastructure development.

Further, activities will be launched at the state level in fiscal policy reform and infrastructure development. During the decade of the 1990s, devolution of authority and power to the states was a major political and economic change in India.

In the area of fiscal policy, USAID will explore, in consultation with state governments, possible areas of intervention on the revenue and expenditure sides. These might include assistance to introduce the Value Added Tax (VAT), the strengthening of tax enforcement, training in better expenditure management and controls, and/or improved debt management, and budgeting and analytical capability to develop and assess impact of changes in fiscal policy.

USAID will work with state governments to identify infrastructure policy, regulatory and institutional issues that need to be addressed to attract and mobilize increased public and private sector resources for infrastructure development.

Also, at the national level, USAID will explore the role of assistance in improving telecommunications and information technology infrastructure with specific focus on the spread of the Internet as a tool of development and commerce. Wider and deeper access to information technology/Internet, especially by people located in distant rural areas will benefit them in agriculture product marketing, education, in the promotion of responsive governance, development administration, etc.

U.S. assistance, among others, will be based upon criteria such as states' commitment and readiness to reform, absorptive capacity, concentration of complementary USAID interventions, and relative need.

Other Donor Programs: The World Bank (WB) and the Asian Development Bank (ADB) have state- level program adjustment loans including fiscal reform; they also have programs at the center and state levels for infrastructure regulatory reform and development. The British Department for International Development (DFID) has activities to assist fiscal policy reform and infrastructure regulatory reform and development at the state level. The World Bank is active in financial markets development.

Principal Contractors, Grantees or Agencies: Principal contractors, grantees, or agencies will be identified when implementation of activities commences.

Selected Performance Measures: Performance measures are yet to be identified.

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: India			
Title and Number: Reduced Fertility and Improved Reproductive Health in North India, 386-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	151,956 DA	103,647 DA	48,309 DA
	4,193 CSD	0 CSD	4,193 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	19,000 DA	18,453 DA	
	1,500 CSD	396 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	170,956 DA	122,100 DA	48,856 DA
	5,693 CSD	396 CSD	5,297 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	14,500 DA		
	3,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**14,500 DA**		
	3,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**26,000 DA**	**106,194** DA	**317,650** DA
	0 CSD	**7,807** CSD	**17,000** CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: India			
Title and Number: Improved Child Survival and Nutrition in Selected Areas of India, 386-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	2,650 DA	545 DA	2,105 DA
	2,300 CSD	0 CSD	2,300 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	307 DA	
	1,625 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	2,650 DA	852 DA	1,798 DA
	3,925 CSD	0 CSD	3,925 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	3,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	3,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**2,650** DA
	3,000 CSD	**12,875** CSD	**22,800** CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: India			
Title and Number: Increased Environmental Protection in Energy, Industry and Cities, 386-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	73,414 DA	41,465 DA	31,949 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	7,076 DA	11,110 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	80,490 DA	52,575 DA	27,915 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	3,200 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	9,400 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**12,600 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**9,250 DA**	**43,759** DA	**146,099** DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: India			
Title and Number: Reduced Transmission & Mitigated Impact of Infectious Diseases, especially STD/HIV/AIDS in India, 386-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	5,920 DA	4,641 DA	1,279 DA
	15,969 CSD	5,348 CSD	10,621 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	618 DA	
	17,600 CSD	8,389 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	5,920 DA	5,259 DA	661 DA
	33,569 CSD	13,737 CSD	19,832 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	15,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	15,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	**5,920** DA
	17,000 CSD	**48,370** CSD	**113,939** CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: India			
Title and Number: Expanded Advocacy and Service Delivery Networks for Women, 386-009			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	3,497 DA	1,897 DA	1,600 DA
	400 CSD	0 CSD	400 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	1,600 DA	
	0 CSD	400 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	3,497 DA	3,497 DA	0 DA
	400 CSD	400 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	250 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,800 DA		
	1,250 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**2,050 DA**		
	1,250 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**2,300 DA**	3,853 DA	**11,700** DA
	676 CSD	2,174 CSD	**4,500** CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: India			
Title & Number: Increased Capacity of Financial Markets & Government to Transparently & Efficiently Mobilize Resources, 386-011			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**9,000 DA**	13,000 DA	**22,000** DA
	0 CSD	0 CSD	0 CSD
	5,000 ESF	5,000 ESF	10,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

Note: The requested funding levels are contingent upon lifting of sanctions on non-humanitarian economic assistance to India.

The United States Agency for International Development

India

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	25,631	27,750	25,700	46,550
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	17,044	17,250	22,750	20,676
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	5,000
P.L. 480 Title II	94,948	125,815	82,372	92,485
P.L 480 Title III	0	0	0	0
Total Program Funds	**137,623**	**170,815**	**130,822**	**164,711**
Operating Expenses [A]	4,939	4,179	3,600	4,400
Trust Funds	0	0	0	0
Total Operating Costs	**4,939**	**4,179**	**3,600**	**4,400**

[A] FY 1999 actual operating expenses include $900,000 for the Building move.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	12	13	12	13
Other U.S. Citizen	0	2	1	1

FSN/TCN	102	94	89	89
Subtotal OE Funded	**114**	**109**	**102**	**103**
Program Funded*				
U.S. Citizen	1	0	0	0
FSN/TCN	2	2	2	2
Subtotal Program Funded	**3**	**2**	**2**	**2**
Other				
TAACS	0	0	0	0
Fellows	1	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**1**	**0**	**0**	**0**
Total Work Force	**118**	**111**	**104**	**105**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
386-002 Reduced Fertility and Improved Reproductive Health in North India							
- DA	0	26,000	0	0	0	0	26,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
386-003 Improved Child Survival and Nutrition in Selected Areas of India							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	3,000	0	0	0	0	3,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	92,485	92,485
386-004 Increased Environmental Protection in Energy, Industry and Cities							
- DA	250	0	9,000	0	0	0	9,250

- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
386-007 Reduced Transmission and Mitigated Impact of Infectious Diseases, especially STD/HIV/AIDS in India							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	17,000	0	0	0	0	17,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
386-009 Expanded Advocacy and Service Delivery Networks for Women							
- DA	1,300	0	0	1,000	0	0	2,300
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	676	0	676
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
386-011 Increased Capacity of Financial Markets and Government to Transparently and Efficiently Mobilize Resources							
- DA	9,000	0	0	0	0	0	9,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	5,000	0	0	0	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	10,550	26,000	9,000	1,000	0	0	46,550
- DFA	0	0	0	0	0	0	0
- CSD	0	20,000	0	0	676	0	20,676
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	5,000	0	0	0	0	0	5,000
- P.L. 480/II	0	0	0	0	0	92,485	92,485

The United States Agency for International Development

INDONESIA

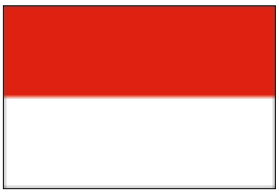
Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction



Indonesia stands at a crossroads. The economic crisis that began in late 1997 produced a public outcry over corruption and cronyism in President Suharto's government, leading to his resignation and, in October 1999, to Indonesia's first free elections in more than 45 years. The country is now commencing a political transformation, from autocracy to democracy, while at the same time trying to recover from a deep economic recession. The advent of democracy has opened unprecedented possibilities for fundamental change, which introduces substantial risks to Indonesia's social and political stability.

The new President, Abdurrahman Wahid ("Gus Dur"), has named a coalition cabinet that includes a number of leading reformers. The reform agenda seeks to curb corruption, increase competition, promote civilian control of the military and civic reconciliation, and reformulate the balance between central power and local government. But, the Government faces serious challenges in building a democracy and restoring economic growth across an archipelago that includes 350 ethnic groups and 17,500 islands and spans across an area equal to the distance from Oregon to the Bahamas. Indonesia has the opportunity to become a thriving democracy. Growing unrest, and religious and ethnic conflict, however, could lead to a potentially chaotic and bloody breakup of the world's largest Muslim nation. International assistance, particularly well-targeted aid from the United States, can make a critical difference.

Indonesia's importance to the United States and its allies should not be underestimated. Landmark elections have made it the world's third largest democracy. In addition to commanding the Pacific's major trade routes, including the energy lifelines of Japan and Korea, Indonesia is a major supplier of Asia's natural resources and an important emerging market for U.S. trade and development.

The Development Challenge

Indonesia's new government, installed in October 1999, faces enormous political, economic, and social challenges. The new government takes over a country battered by an economic recession that wiped out 15 percent of its gross domestic product (GDP) in a year and hobbled by pervasive corruption that affects everything from major policy decisions to village relationships. It needs to move swiftly to rebuild the economy, resolve social tensions, and strengthen the political institutions that can provide greater transparency and accountability, improve governance, and attack corruption. It needs to restore the confidence of both domestic and foreign investors, increase civilian control of the military, develop processes for reconciling abused and abusers, and institute major constitutional changes that will reform the judicial systems, decentralize power, and increase the authorities of local governments. All this needs to be done while maintaining a social safety net that provides a modicum of social services to a population with growing expectations.

The end of the Suharto era loosed negative as well as positive forces. Long-simmering perceptions of injustice among

ethnic, religious and economic groups have flared across the country, raising fears of Indonesia's "Balkanization," particularly following East Timor's overwhelming vote for independence in August 1999. Centrifugal forces have been unleashed in provinces such as Aceh and Papua (Irian Jaya) where rebels have increased their efforts for independence. Violence has erupted in Ambon, Northern Sumatra, East Java, Sulawesi, and West Kalimantan, because of conflicts over land rights, labor issues, migrant workers, resources, and religion, class and ethnicity.

A source of much of the unrest is the historic lack of institutional recourse for violations to personal and property rights. To ameliorate this situation, the government is attempting to reallocate responsibilities and authorities across political levels, decentralize powers to the district level and increase regional autonomy; it is also attempting to reform its justice sector, by improving judicial and prosecutarial capabilities.

Just as justice sector reform is important to assure human rights and access to the political process, it is also critical to providing the environment for economic recovery. Although recent indicators are hopeful, Indonesia still has much work to do to restore its economy to pre-crisis levels. The successful elections of a new government with unquestioned legitimacy and a commitment to reform renewed optimism among potential investors. Growth during the second and third quarters of 1999, the first positive growth since 1997, confirmed hopes that the economy may have bottomed out. Other important macro indicators point to a successful stabilization of the economy--inflation is zero for the year to date, benchmark interest rates are currently at 12-13%, having fallen from a high of more than 70%, and the exchange rate has strengthened.

Despite such positive signs, full recovery remains a distant prospect. The country's external foreign debt (public and private) reached a total of $144 billion as of June 1999, and little progress has been made on restructuring corporate and bank debt. The financial sector remains moribund-no banks are lending. Unemployment remains high and could go higher as restructuring takes hold and corporations cut back. Institutions are still not in place to ensure legal certainty for investors, and disputes over past contracts, particularly in the electricity sector, have cut sharply into the confidence of potential new investors. It appears that the Government has begun to take the necessary steps to get the Indonesian Bank Restructuring Agency (IBRA) to dispose of the non-performing assets which it holds and put performing companies back into private banks.

The economic and political crisis has had a dramatic social impact. Official figures show that the number of individuals living below the poverty line has more than doubled (now 80 million people) since the beginning of the crisis. High inflation and widespread unemployment have reduced the ability of many households to purchase basic medicines and meet minimum nutritional requirements, resulting in an increase in micronutrient deficiencies. The United Nations Children's Fund (UNICEF) confirms that the human cost of the economic crisis has been highest for Indonesia's poorest women and children. The GOI estimates that nearly half of the nation's population is unable to afford adequate food. A contributing factor to the May 1998 riots was the rise in food prices and shortages of staple food items such as rice, cooking oil and sugar.

The rapid decline in household income in combination with declining government resources, specifically for the provision of health services, imperils the health of many Indonesians. The prolonged economic crisis has drastically reduced purchasing power as food prices have skyrocketed, while millions have lost their jobs. As a consequence, many, particularly urban dwellers, cannot afford to purchase adequate food, and the nutrition of mothers and children has suffered. Children are continuing to drop out of school, suggesting that the long-term impact of the crisis may not yet be fully realized. Health care services are less frequently sought, as stretched family budgets go to other priorities. Sexually transmitted diseases are on the rise, as a result of inadequate condom use, delayed treatment, and an increase in prostitution as a source of income.

USAID's Role

The election of a new government in October 1999 opened up a wealth of new opportunities for USAID's FY 2000 program, focusing on supporting the democratic transition, economic reform, natural resource management, health, and humanitarian assistance. USAID is supporting a major, multi-donor effort on justice sector reform as part of a program to build the institutions and processes that will facilitate Indonesia's transition to democracy. It is working with new ministers-and in some cases new ministries, with parliamentarians at the national and local level, with media and with civil society organizations to strengthen legal processes and institutions, providing training and technical assistance to improve access, transparency and accountability. Building on a most successful elections support program, involving more than 200 local and international NGOs, USAID has launched a civic education campaign to encourage accountable government. USAID partners are conducting political party and parliamentarian training-about 85 percent

of the 15,000 newly elected parliamentarians have never served in office before-on legislative and constituent representation. They are also providing training to the media in news broadcasting and working with both government and civil society organizations on conflict resolution and reconciliation.

The new decentralization laws-moving toward full implementation in the year 2001-afford new opportunities and risks, as well, that cut across all of USAID's areas of interest-democracy, economic reform, natural resources management, and delivery of health and humanitarian services. USAID is working with local governments now to prepare them for their increased roles under decentralization. USAID consultants are advising on fiscal issues, natural resources management, and on environmental governance, and health advisors are looking at the implications of these laws for health service delivery.

USAID continues assistance to the agencies responsible for corporate and bank restructuring and the ministries involved in trade and competition policy and regulation. There are growing opportunities here as well, as the government begins to establish independent regulatory agencies (competition and anti-corruption are the first) which are in need of donor support. And as part of USAID's work on justice reform, USAID consultants are involved in a variety of programs to strengthen governance and provide investors with greater certainty.

Events in East Timor and unrest in pockets across Indonesia have imposed special burdens on USAID's health and humanitarian assistance program. Through its longstanding partnership with local and international NGOs and with the World Food Program, USAID has been able to target food resources-and continues to do so-to allow Indonesia to deal with the needs of what has become a population of some 700,000 internally displaced people. At least in the near term, until there is greater certainty that social unrest is under control, there will be a need for continued humanitarian aid.

Other Donors

The donor community in Indonesia can be divided into two groups: (1) donors with annual program budgets of $1 billion or more and (2) those with annual budgets of $250 million or less. Multilateral organizations - the International Monetary Fund (IMF), the World Bank, the Asian Development Bank (ADB) and the Islamic Bank - and the Japanese bilateral program constitute the big donors. USAID is the largest contributor in the group of smaller donors, which also includes the European Union, the bilateral programs of Australia, Germany, Britain, France, Italy, the Netherlands, Canada, New Zealand and South Korea, and private U.S., German and Dutch foundations.

The U.S. role as a leading member of the IMF, the World Bank, and Asian Development Bank provides USAID an important opportunity to work closely with multilateral donors on development issues. In addition, as part of the Consultative Group for Indonesia, USAID collaborates with both multilateral and bilateral donors. This collaboration was particularly close in the donor program to support the Indonesian elections in 1999. Despite our level of assistance, USAID's flexibility and country presence provide it a unique opportunity to play a leadership role in donor assistance. USAID has accepted this role most notably in the development of civil society organizations and in its work, as noted above, on democracy and governance, economic reform, natural resources management and health and humanitarian assistance.

Indonesia

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

Since mid-1998, the United States and its partners have helped Indonesians address an array of social and environmental concerns, advance an unprecedented democratic transition, and stimulate economic recovery. The early returns are encouraging: free and fair parliamentary elections and the presidential vote; economic indicators showing signs of recovery; a coalition cabinet that includes a number of reformers; and the government's willingness to take on complex economic, political, social and natural resource issues. Many new government leaders come from the NGO sector that has benefited from longstanding USAID support; many of them are taking on new challenges and seeking U.S. assistance to do so.

FY 2000 and FY 2001 DA and ESF resources will permit USAID, and its partner organizations, to help Indonesia deal with the multiple crises that are afflicting its fledgling democracy: social unrest; ethnic, class and religious conflict; separatist movements; corruption; social welfare needs; natural resources degradation; and uncertain protection of human and property rights. It will allow USAID to support reformers within the government to strengthen the key processes and institutions required for efficient governance. It will provide funding and technical support for civil society organizations and media efforts to increase accountability and provide access for private citizens to the political process. The major theme running through all areas of USAID's dynamic strategy in Indonesia is justice: the right of the average Indonesian citizen to due process, to fair and equal treatment, to access to the political system, and to legal recourse if aggrieved. Progress on justice sector reform will be critical to calming social unrest and establishing the context for sustainable economic growth.

Assistance in FY 2001 will build on that provided in FY 2000 to strengthen key GOI institutions and civil society organizations. The program will provide technical assistance in judicial sector reform, including assistance in developing professional and competent legal organizations. The program will work with the national and local parliaments to improve their capacity for research and analysis and to draft legislative and constituent communications. In addition, the program will provide training for political parties and for newly elected parliamentarians to enable them to be responsible, accountable, transparent, and active participants in the governance of the country. It will also work with government organizations and independent regulatory agencies on improved governance; support media and advocacy groups; and help promote human rights, ethnic and religious tolerance, and conflict resolution and reconciliation. USAID will continue to implement these programs through a consortium of NGOs, both local and U.S.-based, and through long-term technical advisors.

USAID will continue work on economic reform, focusing on the financial sector, bank and corporate debt, and also including efforts on competition, anti-corruption, secured transactions and increased certainty for investors. It will encourage small business development, particularly through support for microfinance lending, and will continue to assist NGOs and universities involved in increasing public participation in the economic reform process.

USAID's health program will continue its focus on the most vulnerable, protecting poor women and children by improving access to essential primary health services, supporting monitoring systems to improve efficiency of resource allocation, and encouraging better health information and nutrition. To improve food security for those most in need, particularly Indonesia's growing number of internally displaced, USAID will support better food management and policies, and increased food accessibility and humanitarian assistance. USAID will work with the GOI and other donors to increase employment in targeted urban areas through the creation of temporary jobs that build, maintain, and rehabilitate basic infrastructure and community facilities.

USAID will help strengthen environmental management and protect areas under increased stress from the financial crisis while continuing to respond to global environmental issues. Assistance will go to indigenous NGOs and local governments to strengthen environmental management and restructure essential energy and water services in urban areas. The program will work with local governments to increase their capacity to handle the additional responsibilities flowing from the decentralization reforms, including greater community participation in management of local resources and planning for public works.

The situation in Indonesia remains extraordinarily fluid, with quickly evolving crises often being matched by equally sudden opportunities in a very dynamic situation. USAID's program seeks to retain a high degree of flexibility to respond effectively to these challenges, but, as a result, specific targets and performance indicators, especially in the areas of democracy and governance, may have to be adjusted more frequently than in more traditional assistance programs.

ACTIVITY DATA SHEET

PROGRAM: Indonesia
TITLE AND NUMBER: Democratic Transition Strengthened, 497-007
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $14,500,000 DA; $11,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $14,400,000 DA; $26,000,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The overall goal of this activity is to strengthen key democratic institutions at a time when Indonesia's democratic transition is at its most critical phase. With a popularly elected and legitimate government now leading the country, there are great opportunities for Indonesia to build a true democracy for the first time in its history. This will require sustained international support.

USAID significantly contributed to the critical first phase of the transition, the completion of free and fair parliamentary and presidential elections last year. Indonesia's transition to democracy, however, is far from complete. The reform process seeks to do away with deeply ingrained corrupt and authoritarian institutions and practices. It directly threatens powerful sponsors of the old system and they, in turn, threaten the transition to democracy.

USAID's program will strengthen key democratic institutions in the crucial post-election period--civil society organizations, the media, political parties, newly elected parliamentarians. It also supports the development of sustainable, representative democratic institutions-both national and local parliaments-and helps build a framework for an improved justice sector in which they can flourish. In addition, the program works with civic organizations and the GOI on the development of new approaches and processes for conflict resolution and reconciliation-critical for Indonesia's social stability given its current unrest and a history of unresolved abuses.

Key Results: Five key intermediate results are necessary to achieve this objective: 1) formation of a representative government; 2) establishment of democratic and effective governance; 3) participation by effective national civil society organizations in the political process; 4) national reconciliation and conflict reduction; and 5) formation of a free and professional media.

Performance and Prospects: The successful completion of internationally recognized free and fair elections led to the formation of a representative government, the first key result. Supported by USAID's extensive assistance program, the elections put in place a reform-minded president and vice-president accountable to the people.

The results achieved under the electoral phase of the program fully met performance expectations. Of an electorate of approximately 110 million people, voter education programs reached 100 million Indonesians in 26 provinces introducing democratic concepts, tolerance and voting practices. Over 93% of the eligible voters participated in this election. Technical assistance provided to election officials improved election management and administrative systems. Support for Indonesian election monitoring organizations resulted in over 600,000 non-partisan volunteers recruited, trained and deployed to the 320,000 polling stations located throughout the country. The first nationally representative, statistical sample of the election results (and the world's largest parallel vote tabulation) confirmed voting results in a highly objective and impartial manner defusing self-interested and exaggerated claims of fraud by the smaller political parties.

Under the second and third intermediate results, NGOs, supported by USAID, have successfully advocated changes at the community level. The NGOs efforts have been instrumental in countering attempts by old elites to reverse the democratic transition. More specifically, NGO-generated policy changes have brought about improved governance at the national and regional levels, including within eight Ministerial-level and two governors' offices, the military, and the national police.

It is now crucial for Indonesia to begin to build governmental competence so that the expectations of civil society are not disappointed. USAID will pursue programs in governance and legal and judicial reform. USAID will concentrate on enactment of legislation for the basis of an independent judiciary, constitutional and electoral reforms, the strengthening of judicial monitoring, and expanding legal and judicial services to ordinary people, particularly those in emerging conflict environments.

A key element of a robust democracy will be the development of competent political leadership and strengthened institutional capacity of political organizations. In FY 2000 and 2001, USAID will support an extensive program focussing on conflict resolution, parliamentary development and legal reform. Conflict resolution programs will address emerging conflict environments and preventive conflict resolution activities. Initially the target areas will include Aceh, Ambon, Papua (formerly Irian Jaya) and Mulakas. Additional program resources will focus on the development of the institutional and sustainable capacity for peace throughout Indonesia.

In FY 2000 and FY 2001, USAID will expand programs with parliamentary representatives that enhance legislative drafting skills, provide research and analysis on important issues, emphasize budgetary oversight, and strengthen member and staff capabilities to respond to constituent needs. USAID support will enable parliament to engage effectively with the executive branch to build national consensus for reform.

An important step towards achieving the fourth intermediate result was the completion and dissemination of the first regional assessment on conflict resolution. The assessment received the personal attention of the new President, and was instrumental in the GOI's order to remove territorial forces from Aceh, whose presence had exacerbated the region's instability. Follow-up activities that will build local capacity to address the conflict are underway. This type of regional conflict assessment is a vital building block in the formulation of a comprehensive and integrated strategy to ameliorate regional conflicts in Indonesia. In addition, over 200 grants were issued to local NGOs, many of which were designed to resolve local and regional conflicts.

Transparency in the election was ensured with the development of a USAID-led national election media and operations center. The center became the hub for election communication and information transfer throughout Indonesia and internationally. Over 150 national and international media organizations representing print, radio, television, and cable participated in the media and operations center. C-Span-style coverage of the presidential and vice-presidential elections and the related proceedings of the parliamentary and consultative assemblies facilitated unparalleled accountability and transparency in the parliamentary process - an openness that is continuing today.

USAID is continuing to strengthen NGO institutional and technical capacity to advocate for policy reforms in human rights, free speech, and religious tolerance, as well as in economic, environmental, social safety net, and other policy reforms. Confronted by powerful counter reform interests benefiting from significant and pervasive corruption, monitoring and advocacy organizations are mounting a vigorous defense of transparency and accountability in the executive and legislative branches of government. Given the unstable environment in the country, the progress being achieved by Indonesian NGOs is fully meeting expectations.

In FY 2000 and FY 2001, USAID democratic strengthening programs will help consolidate political reforms and address the challenges from counter reform groups that remain very powerful. Programs are underway to address the escalating conflict in troubled regions especially in Aceh and Irian Jaya. Human rights and reconciliation programs are addressing the brutal suppression of the rights of Indonesians during the Suharto-era, resulting in the release of political prisoners, the reassessment of the role of the military in troubled regions, and a growing awareness of the need for national truth, justice and reconciliation.

Possible Adjustments to Plans: Monitoring activities are underway to track carefully the dynamic political environment. It is clear that USAID will have to shift resources away from civil society development to strengthening institutional competency through reform and anti-corruption programs. USAID will adjust assistance activities according to changing conditions and circumstances in order to encourage a transparent, participatory, inclusive and informed public dialogue on the laws, regulations and procedures governing political life.

Other Donor Programs: USAID is coordinating democratic strengthening and civil society building activities with multi-lateral and bilateral donor organizations. These include the United Nations Development Program (UNDP), World

Bank, and 15 other bilateral donor assistance programs, such as Australia, the European Union, Great Britain and Canada. Total contributions from the multilateral and bilateral donors (excluding the U.S.) for the democracy and governance sector are estimated at $35 million for FY 2000, with an additional estimated $9 million from the GOI.

Principal Contractors, Grantees or Agencies: Approximately 200 Indonesian civil society organizations; the National Democratic Institute for International Affairs; the International Republican Institute; the International Foundation for Election Systems; Participating Agencies Collaborating Together (PACT); the Trickle-Up Foundation, Chemonics International; the American Center for International Labor Solidarity; and the Public Affairs Office.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Number of instances of measurable impacts on the formulation of government policies due to activities of grantee NGOs	19 (1995)	101	150	200
Number of regional or national conflict resolution assessments performed	0 (1998)	1	2	2
Number of subsequent conflict resolution programs developed	0 (1999)	0	1	2
Number of articles and/or broadcasts addressing transition or election issues	N/A	1,258	1,300	1,400

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Indonesia
TITLE AND NUMBER: Protecting the Health of the Most Vulnerable Women and Children, 497-008
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $8,000,000 DA; $18,950,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $15,000,000 DA; $18,925,000 CSD
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: This objective focuses on protecting the health of the most vulnerable--women and children. The economic crisis, subsequent political turmoil, and ongoing local governance changes are creating unprecedented challenges and burdens on the health sector. The rising cost of food, medicine, contraceptives, and other basic commodities has forced many Indonesians to resort to poor quality diets and to delay seeking professional preventive health care. This has resulted in an alarming increase in malnutrition and vitamin deficiency among infants and young children during the most important period of their intellectual development. It has also resulted in dramatic decreases in the use of local community health posts -- the key source of preventive care for pregnant women and young children. Continuing social conflict in several provinces has also resulted in increased numbers of Internally Displaced Persons (IDPs), the most vulnerable of whom are women and children.

As a result of the financial crisis, private sector health services are beyond the reach of the bulk of the population and the continued viability of the private sector providing these services is questionable. Therefore, USAID's short-term crisis strategy focuses on assistance to the public sector and to key private non-governmental and religious organizations to sustain the delivery of essential health services to the poor. The financial crisis has reduced the amount of disposable income of the poor resulting in less being spent by families on health. Communication campaigns that promote healthy behavior change and aim to increase the democratic participation of local women's groups and community groups in maintaining responsibility for their families' health.

For the longer term, USAID is helping the GOI improve its policies on reproductive and child health, and improve the allocation of resources at local levels of government. Areas of technical focus include: safe pregnancy and delivery; prevention of neonatal and child mortality; nutrition and prevention of micronutrient deficiencies; family planning; and prevention and control of sexually transmitted infections (STIs), including HIV/AIDS. USAID is also providing support for advocacy to newly elected political leaders to build commitment for health promotion.

Key Results: Three key intermediate results are necessary to achieve the strategic objective: (1) effective monitoring and surveillance systems are improved and utilized by political decision-makers to guide efficient resource allocation and response; (2) essential preventive health care services are preserved during the crisis period, particularly among the urban poor; and (3) appropriate health behaviors are communicated to mitigate crisis impact and promote recovery.

Performance and Prospects: A new, three year, $70 million Strategic Objective Grant Agreement for "Protecting the

Health of the Most Vulnerable Women and Children" was developed and signed with the GOI at the end of fiscal year (FY) 1999.

This past year, in response to the crisis, USAID and its partners focused on improving policy support to the central government and effecting appropriate responses to the crisis. As a result, key reproductive and child health services continued to be available in the public sector and in over 50 key non-governmental organizations. This helped protect investments and progress made over the last 25 years in reducing fertility and infant mortality, and in minimizing the further spread of HIV/AIDS. USAID support also helped to strengthen national health surveillance systems, as well as the capabilities of senior level decision-makers to analyze data to launch appropriate responses.

Since the advent of the crisis, there has been less than a one- percent decline in utilization of family planning on average. Due to the high cost of imported materials, USAID, at the request of the GOI, provided an emergency donation of inter-uterine devices (IUDs), implants and injectables to assist the National Family Planning Coordinating Board (BKKBN) in sustaining free contraceptive delivery to the poorest of the poor.

In maternal health, USAID assisted the Ministry of Health and private professional organizations to strengthen medical training for doctors and midwives. USAID's assistance was successful in effecting a major policy change in the Ministry's approach to training -- from didactic learning to a competency-based approach for obstetric care training for village midwives throughout Indonesia.

USAID assistance helped retard transmission of sexually transmitted infections (STIs) and HIV/AIDS. At the request of the Ministry of Health, USAID provided an emergency procurement of HIV test kits to the Indonesian Red Cross to preserve national blood testing capability. In addition, USAID influenced a major policy breakthrough among the GOI and religious leaders that will allow the mass media to be used to more effectively promote condom use and other behavior change messages that should slow the spread of HIV/AIDS. The incidence of other STIs appears to be increasing. Thus, in FY 2000, USAID will help the GOI focus on treatment and control measures that must be sustained to maintain low HIV prevalence and reduce the incidence of STIs.

Through USAID support, an effective crisis surveillance of nutrition and disease was implemented that allowed immediate targeting of resources toward the most vulnerable groups. Strengthening the capacity of the GOI at all levels to monitor health, nutrition and disease status will continue to be important during the recovery period and beyond.

In the area of child health, USAID and its partners were successful in effecting a major policy change within the Ministry of Health: the national vitamin A program now includes supplements for infants aged 6-11 months old and for post-partum women. In addition, USAID recently signed a new agreement that will provide technical assistance to the Ministry of Health and UNICEF to implement the new Vitamin A distribution campaign in four large urban areas. New agreements have also been signed to implement complementary feeding programs for infants age 6-23 months in selected urban slums and rural areas to reduce the incidence of severe and moderate malnutrition.

The FY 2000 program will: (a) address behavior issues among those at high risk for HIV and STIs; (b) improve HIV prevention services; (c) improve GOI surveillance systems; and, (d) help local organizations plan, finance, manage and coordinate HIV/STI responses. An extensive review of the child health and nutrition situation conducted in late 1999 will help identify gaps and disparities that will be addressed by USAID and its partners in FY 2000. Several emergency child survival programs will continue in FY 2000 among women and children living in IDP camps in West Kalimantan and East Timor with possible expansion to Aceh, Ambon, and West .

In FY 2000, USAID will work with the Ministry of Women's Empowerment, the National Family Planning Coordinating Board, the Ministry of Health, and with key non-governmental and religious organizations to implement a comprehensive new program. This program should help improve political commitment among elected parliamentarians and community leaders for family planning as a women's health and empowerment intervention. A large policy component will work on financial sustainability, contraceptive logistics systems in a decentralized environment, quality improvement, and policy. An advocacy and communication component will strengthen the participation of women's groups, religious groups, and local communities.

In FY 2000 and continuing in FY 2001, integrated FP/MCH and HIV/STI services and programs will be expanded and strengthened as responsibility and authority for providing health services is decentralized to district health offices. Planning, finance, and monitoring of service delivery will be implemented at the district level based on guidelines provided from the center for preventive care aimed at protecting the health of women and children. In FY 2001, USAID-funded activities in crisis surveillance of nutrition and disease will allow the GOI and the NGOs to efficiently collect, analyze and disseminate data for monitoring and surveillance. Policy-makers and program managers have

indicated they will use this data to determine resource allocation among program priorities.

Possible Adjustments to Plans: Under the "Protecting the Health of the Most Vulnerable Women and Children" special objective, a more balanced approach to public and private sector delivery of health services will be used. Over the next year, emphasis will be placed on assisting the GOI to deal with its most significant policy development challenges in the new political environment. Should Indonesia's economic recovery proceed at an accelerated pace, consideration will be given to re-energizing broader private sector involvement in the delivery of health services.

Other Donor Programs: The Asian Development Bank (ADB) will support the GOI's Social Safety Net program through the year 2000. Australia is providing $2.6 million in essential drugs, medical supplies and equipment for the eastern islands. Japan is supporting district health services in several provinces with a total of $16 million for medicine and disposable medical supplies. The United Nations Family Planning Agency (UNFPA) is developing a new $14.2 million country plan for 2001 with a focus on reproductive health and adolescents. The United Nations Children's Fund (UNICEF) is also developing a new country plan for 2001 and has initiated supplementary child feeding and revitalization of community health posts in five provinces. The World Bank is supporting reproductive health activities in East and Central Java and is preparing a decentralization project for four provinces.

Principal Contractors, Grantees or Agencies: The National Family Planning Coordinating Board; Ministry of Health; Ministry of Women's Empowerment; Midwives Association; Obstetricians and Gynecologists Association; Helen Keller International; The Futures Group; Family Health International; Johns Hopkins University (JHPIEGO and CCP); Pathfinder International; PATH, UNICEF, and World Vision.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
The number of provinces in which there has been an increase or no decline during the past year in the percentage of married women currently using modern family planning methods.	8	14	15	18
The percent of deliveries attended by a trained provider in three districts in South Kalimantan. (see note below).	68%	79%	81%	83%
The number of children aged 6-11 months in urban areas who consume Vitamin A capsules during the twice yearly campaigns	N/A	0	30%	50%
The percent of condom use among female commercial sex workers	37%	48%	50%	55%

Please note: Mission expects a new family planning indicator to be added since the current program ends in 2000. Also, the maternal health project in South Kalimantan was successfully completed, so the indicator "percent of deliveries attended by a trained provider" will be reported for new program provinces.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Indonesia
TITLE AND NUMBER: Improved Food Security for the Most Vulnerable Groups, 497-009
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The purpose of this objective is to ensure that affordable basic food items are provided to Indonesians most in need. USAID food resources allowed many drought-impacted people to survive until the return of more normal crops, while food distribution in urban areas provided a crucial safety net to those impacted by the economic crisis.

In 1997 and early 1998, El Nino weather patterns resulted in the worst drought in Indonesia's recent history, creating severe shortfalls in food availability and rising prices. USAID responded in FY 1998 with 83,000 tons of commodities for nearly one million beneficiaries. The food was provided through food-for-work and vulnerable group feeding programs, located primarily in the eastern islands.

Food insecurity was then compounded by the economic crisis. Inflation, growing poverty, and disruption of the normal food distribution and marketing systems further reduced people's ability to access food. In fact, the May 1998 riots were spurred in part by the rise in food prices. The availability and affordability of rice, cooking oil, sugar and other basic foodstuffs are central to stability in Indonesia.

The relatively small resources of the donor community can have important, but limited, impact on the affordability and accessibility of food. Longer-term food security will require GOI interventions to improve its food policy and management practices. To this end, USAID contracted with Development Alternatives Inc. (DAI) to provide food policy support to the GOI. This program is being implemented in association with the GOI Coordinating Ministry of Economy, Finance and Industry, and entails policy dialogue with key Indonesian policy makers, research on critical policy issues, and experiments to test policies in the field.

Key Results: Two intermediate results are key to achieving this objective: 1) strengthening GOI food policy and management practices and 2) improving food accessibility.

Performance and Prospects: USAID-funded technical assistance has conducted research into rural markets and rice competitiveness and contributed critical input to improving fairness and efficiency of GOI policies with respect to rice pricing, rice trade and rice production, as well as on the role of the national logistics agency (BULOG).

In FY 1999, USAID refocused a greater share of its food distribution activities to urban areas, particularly in Java, that had been severely impacted by the economic crisis. During the year, USAID approved close to 56,000 tons of commodities for 860,000 beneficiaries. Another 15,000 tons of commodities have been approved for FY 2000, subject to the availability of funds.

The GOI has taken steps to target direct food assistance to those most in need. Through its Special Rice Market Operations, the GOI has regularly provided over nine million families, mostly in rural areas, with heavily subsidized rice.

Possible Adjustments to Plans: None.

Other Donor Programs: The World Bank and the IMF promote rural development in Indonesia, as reforms to GOI food and agricultural policy are mandated under their programs. The World Food Program has proposed a Protracted Relief and Recovery Operation (PRRO) to continue food assistance as Indonesia recovers from the economic crisis. Other donors, principally Canada, Australia and Japan have indicated a willingness to continue food assistance. With input from USAID, the World Food Program (WFP) has switched its focus from rural to urban areas. WFP has also allocated considerable food resources for the thousands of displaced people as a result of Indonesia's numerous social conflicts. USAID, in association with the World Bank, the International Monetary Fund (IMF), and other donors, have collaborated to strengthen GOI food policy and to target assistance to those most in need.

Principal Contractors, Grantees or Agencies: World Food Program; CARE; CRS; Church World Service; Adventist Development and Relief Agency; World Vision International; Mercy Corps and Development Alternatives, Inc.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)****	**Target (2001)**
Metric tons of U.S.G. food delivered: Commodity--Rice	N/A*	54,260	13,180	0
Number of workers employed in Food for Work programs	N/A*	73,614	17,880	0
Metric tons of U.S.G. food delivered: Commodity - Soy Blends	1,180	1,360	0	N/A
Number of participants included in supplemental feeding program	N/A*	41,500	47,830	0
People moving above poverty line as result of policy initiatives. Baseline: 12/98 National Census of 46.1 mil below poverty line			6,000,000	

Notes:
* No baseline was conducted.
** Pending availability of FY 2000 funds.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Indonesia
TITLE AND NUMBER: Urban Environmental and Energy Management Strengthened, 497-010
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $6,500,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $8,500,000 DA; $2,000,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: This objective seeks to strengthen participation in local government operations, improve management of urban services, reduce pollution, create jobs, and increase energy efficiency. The objective encompasses USAID's urban and energy programs. Both programs involve policy development and implementation of improved techniques. The urban program focuses on local government processes for providing urban services, emphasizing infrastructure development, finance, and management. The energy program focuses on improving energy policy, emphasizing structural reform, pricing and subsidies, and promoting commercialization of energy resources and energy efficiency.

Devolving authority for natural resources management and decision-making to local government is an important step in promoting the sustainable use of Indonesia's natural resources. As part of Indonesia's democratic transition, regulations are being drafted that specify local governments as the primary provider of environmental services. Through the provision of technical experts at key ministries, USAID has supported the Government of Indonesia (GOI) in the formation of these regulations. In addition, USAID has supported the adoption of financial and citizen outreach measures that enable local governments to provide these services on a more sustainable basis.

Indonesia's long history of centralized decision making has not permitted local communities to play a role in determining how best to meet their urban environmental needs. The Mission's urban environmental management program has pioneered a new approach to address these issues by forming partnerships with over 100 non-governmental organizations (NGOs) and community groups, so that citizens can work more directly with local governments and play a greater role in the decision making process. USAID is playing a significant role in fiscal and political decentralization, has an extensive program to improve local government capital investment planning, and is creating a program to introduce improved practices for local management of core urban services.

Improved energy management requires reforming the current structure of the sector and strengthening the capacity of both central and local government to manage the energy sector. The objective is to improve both economic and technical efficiency by creating transparent, competitive markets, increasing private investment and rationalizing energy pricing through gradual subsidy removal. It is expected that environmental benefits of the reform will be significant, in terms of more efficient use of energy, as well as increased use of cleaner fuels, including renewable energy resources.

Key Results: Three intermediate results are critical to meeting this objective: 1) increased community participation in local government operations and planning; 2) improved management and delivery of urban environmental services, and 3) improved efficiency and decreased pollution in energy supply and use.

Performance and Prospects: Significant progress has been made in decentralization, employment generation, power sector restructuring, water management, and improved local government planning. USAID's partners in the Ministry of Home Affairs and the Ministry of Finance were the source of much of the substance of Indonesia's new autonomy laws. USAID advisors played a key role in creating a strategic framework for the water sector, now adopted by the Ministry of Home Affairs, while the USAID Water Efficiency Team helped 54 local water authorities improve operations and avoid crisis-induced bankruptcy. With USAID support, the GOI is currently undergoing energy sector reforms, allowing more players into the sector while eroding the traditional government monopoly on energy production. USAID has supported this effort by strengthening the Ministry of Mines and Energy's policy analysis capacity and developing a work plan for critical policy changes.

As part of USAID's Crisis Response and Recovery Strategy, urban programs were re-focused to emphasize urban employment generation. Targeting 14 cities with high-unemployment in East and West Java, the program emphasizes community participation in identifying, planning, and implementing community infrastructure projects. More than 80,000 meetings were facilitated between 700 local communities, 100 local NGOs, and local officials, resulting in 1,700 projects approved for financing, with another 1,000 projects in the pipeline. To date, more than 6 million person-days of labor have resulted from implementation of these projects. USAID assistance was also provided to the National Planning Board to improve targeting of social safety net funds to areas of high unemployment. In total, USAID's assistance already in place will produce more than 47 million person days of labor.

Promoting more efficient and cleaner energy use is a mainstay of USAID's urban environmental program. Through promoting policy changes, including those in pricing, subsidies, and sector structure, incentives are created for improved energy use. The result is more efficient and less polluting power production. Most recently, USAID has supported efforts to reduce pollution from transportation by supporting national efforts to phase-in unleaded gasoline and improve fuel standards.

USAID has supported the restructuring of the electricity sector since 1996. Working closely with the World Bank and the Asian Development Bank, USAID promoted the development of government policies and implementation regulations for power sector restructuring.

Over the past two years, USAID has developed a capital investment plan that enables local governments to generate medium-term investment plans. The process emphasizes community participation. USAID assisted six cities and three water authorities in East Java to create such plans.

In FY 2000, the success of USAID's efforts to date in electricity sector restructuring has led the GOI to request USAID assistance in developing the necessary policies for reforming the oil and gas sector. USAID is also assisting with general energy policy reform, with the highest priority being given to pricing and subsidy issues. These programs will be the main focus of the energy element of this activity.

On the urban environment side in FY 2000, the Ministry of Finance has requested that USAID extend capital investment planning assistance to another 20 cities throughout Java and in parts of Sumatra and South Sulawesi. In addition, new USAID urban assistance is now being designed to meet the need for improved skills within local governments. Implementation, which will begin in mid-2000, will emphasize improving core urban management processes, such as performance budgeting, financial management, competitive procurement, and service delivery. The new activity will include a USAID Resource Cities program involving up to 12 Indonesian cities in partnerships with U.S. cities. Particular emphasis will be given to demonstrating how councils, officials, the business community, NGOs, and ordinary citizens can work together to enable cities to improve living and economic conditions.

The activities undertaken in FY 2000 will continue in FY 2001 with the focus being energy policy implementation of subsidy reduction, and oil and gas sector reform. The urban resource management and Resource Cities will be the basic elements of the urban environment activities.

Possible Adjustments to Plans: Local governments are widely diverse in Indonesia. Evaluation of initial experience in providing cost-effective technical assistance and training directly to them will form the basis for adjusting implementation plans. Plans may also need to be adjusted as the legal and regulatory framework for local government is revised. In addition, targets for employment generation will need to be revised to correspond to future "social safety net" policies of the new government.

Other Donor Programs: The World Bank, the Asian Development Bank (ADB), the United Nations Development Program, Germany, and several smaller donors are active in supporting decentralization, local government, and energy reform. USAID is considered by these donors to have particular strengths in the areas of local government finance, service delivery, urban management practices, and capacity building and training in the energy sector. New World Bank and ADB lending programs will support local government development.

Principal Contractors, Grantees, or Agencies: The principal contractor for delivery of urban assistance is Research Triangle Institute, with CARE as a principal subcontractor. The contractor for the Water Efficiency Team is Chemonics, Inc. The principal contractor for assistance to local governments is the International City/County Management Association (ICMA). Implementation of activities by ICMA is expected to start by April, 2000. The principal contractors for energy reform assistance are Advanced Engineering Associates International (AEAI) and Carana Corporation. Carana Corporation has been involved in electricity restructuring since 1997. AEAI was brought into oil, gas and general energy policy in FY 1999.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Number of local governments using participatory medium term planning:	0	0	20	30
Increased employment in urban community infrastructure, cumulative (millions of person days):	0	5	12	47
Number of local governments using improved management tools and practices:	0	0	10	50

Improved efficiency and decreased pollution in energy supply and use - Global Climate Change indicator - local and global air pollution reduced or avoided (metric tons of CO_2 equivalent, cumulative):	2 mill.	3 mill.	4 mill.	5 mill.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Indonesia
TITLE AND NUMBER: Recovery of Economic and Financial Systems, 497-011
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $13,550,000 DA; $12,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $12,675,000 DA; $18,000,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: This objective aims to help Indonesia's economy recover and achieve a high equitable growth path through the reform of policies and governance in the public sector, corporate debt and governance restructuring, bank and financial system strengthening, and enhancing public participation in economic policy making.

The new government inherited severe financial and economic crises. Fortunately, the economy appears to have stabilized and is beginning to recover.

- the Indonesian economy grew 1.8% in the second quarter of 1999, the first positive growth since the last quarter of 1997;
- inflation has been zero since the beginning of the year;
- benchmark interest rates are currently 12% to 13% having fallen from a high of more than 70%; and,
- the exchange rate has strengthened to around 7200 Rupiah per U.S. dollar.

However, much must be done in terms of policies, restructuring and institutional building to turn the nascent recovery into sustainable, rapid, and equitable growth. The new government must urgently address an overwhelming array of problems in the face of deeply entrenched vested interests and with weak governing institutions. Monumental bank and corporate debt restructuring needs to be undertaken so that commercial and trade credit can support the recovering economy. Credibility and competence of key economic institutions, such as the central bank, capital market authority, tax administration, and the legal and judicial system, must be rebuilt after having been eroded under thirty years of autocratic and corrupt rule. Substantial reforms, in such areas as fiscal, trade, and legal, are essential for sustained, equitable growth.

Key Results: The four key intermediate results are: 1) public sector policy and governance reformed; 2) corporate sector restructured and governance improved; 3) financial sector restructured and governance improved; and (4) strengthened public participation in economic policy making.

Performance and Prospects: During the past year, USAID engaged the government, often successfully, on a wide range of issues - fiscal decentralization, development strategy, poverty alleviation, financial restructuring, and small business, monetary, and competition policy. For instance, technical assistance provided to the Bank of Indonesia and the Indonesia Bank Restructuring Agency (IBRA) helped in debt restructuring and bank recapitalization. It helped establish the guidelines for debt forgiveness for small businesses and tax treatment of debt deals. However, the lack of political will has hampered the restructuring of debts and the recovery of assets.

USAID technical assistance helped the GOI craft four major laws related to competition, anti-corruption, arbitration and secured transactions. The competition law was one of the most significant passed in 1999. It defines the rules for competitive behavior by business firms in Indonesia. The secured transaction law provides a legal basis for registering secured interests in assets used as collateral - vital to a modern credit market, and something that was previously lacking. USAID will now direct its focus towards helping the GOI implement these laws.

In addition, USAID contributed to the development of a consumer protection law and a warehouse receipts system. The latter will contribute to solving trade finance problems by making it easier to discount receipts for goods in warehouses, as well assist in the successful implementation of a futures commodities exchange.

To encourage sound economic policy directions in the new government, prior to the June election, USAID funded 17

"road shows" by the University of Indonesia's Institute for Social and Economic Research and the Economics Department of Gadjah Mada University to discuss the economic issues facing the nation. USAID also contributed to raising the quality of the economics debate prior to the general election through sponsoring weekly debate sessions in Jakarta that were attended by a large number of political parties. These debates were shown on Indonesian television and were reported to have significantly changed or clarified perceptions of the economic policies of the political parties.

With the successful conclusion of the selection of a president who has a legitimate mandate, the new government needs to make rapid progress in implementing the policies and practices necessary for economic recovery and achievement of a sound development path. Among the daunting challenges are: making real progress on bank and corporate restructuring, resuming credit, increasing exports and foreign investment, and reestablishing the competence and credibility of economic institutions, including the judicial system. Overall, significant positive economic growth is expected in FY 2000 as these challenges are met.

FY 2000 and FY 2001 resources will be used to continue assistance in the areas of:

1. Banking and financial sector restructuring
2. Corporate debt and governance restructuring
3. Public sector policy and governance reform
4. Public participation in economic-policy making
5. Microenterprise development

Continued reform of Indonesia's banking systems is needed to restore the flow of capital necessary to re-ignite economic activity and growth. USAID will provide technical assistance to IBRA to develop its institutional and staff capacities, to support the actual restructuring of troubled banks, and to help rebuild the banking system on sound, responsible, and transparent principles. Funding will be used to help put in place the systemic reforms necessary for sustained banking sector recovery, including strengthened bank supervision, improved accounting principles, policies, and standards, improved lending practices based upon sound risk analysis, and development of more effective financial instruments.

In FY 2001, USAID, in cooperation with the Department of the Treasury, will continue and expand efforts under the Jakarta Initiative (private debt workouts outside of the formal court system). We will support the GOI's efforts to develop and implement new legislation for secured transactions, arbitration, and expanded competition. In addition, resources will be directed towards strengthening the economic and regulatory bodies that enforce economic laws and regulations, including the judiciary, the anti-monopoly commission, and the capital markets exchange.

USAID and the Department of Treasury will provide long-term technical experts that will assist the GOI develop and implement budget, fiscal, monetary, exchange rate, and trade policy and laws. Technical assistance will also be provided to analyze and review pricing/subsidy reforms that are necessary to help the GOI reduce or eliminate budget deficits. Support will be provided in the energy and power sectors as well as food policy reform.

In FY 2001, indigenous NGOs will be provided with assistance to improve their advocacy skills and create linkages with policy-oriented NGOs in the U.S. This program will help transfer knowledge and skills to Indonesian institutions, thereby enhancing their ability to contribute meaningfully to the dialogue between the private and public sectors on economic policy issues.

USAID will also provide assistance to bank credit programs that support small and micro-enterprises as well as business and management expertise directly to these enterprises. Technical assistance that will help improve the enabling environment for small business development and growth will be provided to the GOI.

Possible Adjustment to Plans: Activities will be adjusted in response to opportunities as they unfold under the new government and changing economic conditions.

Other Donor Programs: Most important are the reform efforts led by the IMF under a newly signed three-year extended arrangement for $4 billion. The ADB is implementing the Financial Governance Reforms Sector Development Program to help provide an adequate institutional and regulatory framework to manage the country's financial sector. The World Bank, a key participant in the IMF-led rescue package for Indonesia, will provide $4.5 billion in loans to Indonesia by the year 2000. Much of this assistance will go to support macroeconomic stability, financial sector reform and trade policy initiatives.

Principal Contractors, Grantee or Agencies:

- Government Agencies: Bappenas (Agency for National Development Planning), Ministry of Industry and Trade, Central Bank: Bank Indonesia, Ministry of Finance, Indonesia Bank Restructuring Agency , The Jakarta Initiative,

Ministry of Justice, Ministry of Cooperatives and Small Business, Central Bureau of Statistics, Coordinating Ministry for Economics, Finance and Development Supervision.

- Grantees: University of Gajah Mada, University of Indonesia, the Asia Foundation, University of Maryland, University of San Francisco.
- Contractors: Barents Group, Nathan Associates, Checchi.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Sum of U.S. dollar value of Indonesia's non-oil and gas imports and exports for the calendar year	$73.3 billion	$57.45 billion	$77 billion	$83 billion
Level of outstanding credit (real Rupiah) at the end of the calendar year (December)	Rp.251,262 trillion	Rp.252 trillion	Rp.258.8 trillion	Rp.274.3 trillion
Cumulative value of loans in Rupiah or U.S. dollar restructured under the auspices of JITF as of the end of December	TBD	$625 million	$3 billion	$6 billion
A simple cumulative counts of the enactments, laws, regulations, decrees, and rules passed or modified by Government in selected areas through end of December	0	4	4	7
Cumulative substantial engagements through end of December; policy workshops, press articles, policy dialogues, collaboration activities, analytical documents.	0	389	700	1100

Please note: Indicators have been revised to better measure the effects of the comprehensive economic growth program that was put in place after the 1997 Indonesian economic and financial crises.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Indonesia
TITLE AND NUMBER: Strengthened and Decentralized Natural Resources Management, 497-012
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $7,500,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $7,500,000 DA; $4,000,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: Fundamental modification to the regime of control of Indonesia's natural resources faces entrenched interests that have benefited from years of close relations with prior administrations. Control over vast areas of wealth is at stake, and the new rules are only now being written. Local control over natural resources will be an essential step to realizing more sustainable utilization of the resources, the maintenance of ecosystem functions, and the conservation of biological diversity. This objective aims to "push the envelope" on decentralization, particularly more pluralistic management of forests, protected areas, and coastal zones.

The new GOI commitment to decentralization and regional autonomy in Indonesia, giving significant new authorities to local governments, offers both new opportunities and new threats to Indonesia's natural resources. USAID's body of experience in promoting accountability and participation in natural resources management over the last few years, coupled with strong relationships with official counterparts and NGOs, makes USAID strategically placed to play a significant role in informing and contributing to the resolution of these issues. This will be accomplished by systematically using its field activities to develop, test and disseminate examples of devolved authorities that result in effective and accountable management of coastal resources, protected areas, and forest resources

Key results: Three key intermediate results are necessary to achieve this objective: 1) roles and responsibilities for natural resource decision-making and management clarified; 2) capability of identified parties to execute their natural resource related responsibilities improved; and 3) decisions regarding natural resource utilization and management developed in a

more transparent, accountable inclusive and empirically-based manner.

Performance and Prospects: Progress on clarification of roles and responsibilities related to natural resource management was very good as evidenced by results obtained on the indicator "Number of Policy Advances Along Policy and Enabling Condition Index." Recently passed legislation on decentralization has relied on policy support from USAID implementing partner organizations in drafting implementing regulations relating to forestry, coastal and protected areas resources. These organizations have worked to unite government and non-government interests on the new legislation and to improve the quality and transparency of the policy formulation process itself.

Community resource mapping programs by several partner organizations over the last several years have resulted in the adoption of community-managed zones in parks and incorporation of the maps into local plans in twenty areas. A good example of this is the result of work by several partners in Lore Lindu National Park. There, a formal decree awarded both the Katu and Robo Behoa people the right to remain in, and to control, their traditional lands located within the Park boundaries. These groups have already proven themselves to be more effective than the park rangers in keeping illegal loggers and poachers from operating in the national park.

Progress in building the capability of identified natural resource stakeholders was also higher than expected as measured by our Institutional Development Framework (IDF) indicator. This year USAID implementing partner organizations were clearly more comfortable with the Institutional Development Framework (IDF), a matrix of institutional strengthening benchmarks developed by USAID, including components that track an institution's oversight/vision, management resources, human resources, financial resources and external resources. The IDF has been adapted for use beyond its intended target, NGOs, to include other stakeholders such as universities and government management units. For example, the tool was tailored for Indonesia's national park management units in Gunung Gede Pangrango National Park (West Java), Bunaken Marine National Park (North Sulawesi), and Wasur National Park (Irian Jaya), and Kerinci Seblat National Park (Sumatra). The IDF helped these management units to determine their organizational priorities and a method for achieving them. Park managers were taught how to use the IDF on an annual basis to assist in budget planning and for measuring improvement of the park over time. These experiences resulted in the development of an IDF Users Guide, making the IDF tool accessible to all of Indonesia's thirty-nine national parks.

Finally, progress on promoting more pluralistic natural resource decision-making and management was generally on target. Management plans and agreements are a useful way to indicate increasing pluralism and the sheer number obtained this year is a reflection of the increased willingness of government to work with non-governmental stakeholders on natural resources management. These agreements have been struck with varying degrees of success between different entities (e.g. resource user groups, entire communities, adat groups, private sector companies, and local government units). Good implementation of the agreements has been supported by concurrent training/education of the resource users (e.g. biology of resources, market analysis).

In FY 2000, the NRM program will be engaged, particularly with the central government, in the development of implementing guidelines and regulations on resource management in order to implement the existing laws. The NRM program will also concentrate as much on the process of policy development as on the content of the laws themselves.

Devolving increased authority for natural resource management and decision-making to local government is an important and necessary step in promoting the sustainable use of Indonesia's natural resources. The NRM program will work to strengthen non-governmental constituencies who value the resources in their natural state and who can influence official policy and resource practices in the field. Shaping and amplifying the popular voice by engaging community, business, religious and academic groups, NGOs, the media and other elements of civil society in the development of environmentally beneficial policies increases the likelihood of appropriate policy formulation and enactment.

There is a need to consolidate and disseminate the lessons learned from field efforts to capture stakeholder interests in resource management techniques so that they may be used to proactively inform policy formulation and implementation as well as local development planning as it relates to natural resources. In addition to synthesizing and communicating lessons learned from existing initiatives, activities will focus on both deepen the experience gained from these field sites and, possibly, to initiate strategic new field investments. Even while roles and responsibilities for natural resource planning and policy making are being sorted out, these sites can continue to push the envelope within the existing natural resources policy and planning framework, inform new policy and planning initiatives, and provide "learning sites" for training on natural resource management techniques.

FY 2001 will reflect expansion of the successes of these programs in other regions. The focus will be involvement of local communities in the implementation of the rules and guidelines for decentralized resource management. The information dissemination process will also require additional support to ensure clear understanding of the issues surrounding the uses

of the natural resources, in particular forestry.

Possible Adjustment to Plans: The full ramifications of decentralization are not yet known. Thus, the program balance between national policy and local capacity building may have to be modified as the situation evolves.

Other Donor Programs: Other donors such as the World Bank, the ADB and Australia AID are replicating the community-based approaches which USAID introduced. Multilateral banks, bilateral donors, and international research centers work with USAID to support Indonesia's forestry conservation. The Government of Japan works with USAID on biodiversity conservation. Canada, Finland and Japan work with USAID in the formulation of forestry policy.

Principal Contractors, Grantees or Agencies: Ministry of Forestry, Ministry of Home Affairs, Ministry of Environment, Bappenas, Ministry of Maritime Exploration, local universities, World Wildlife Fund Indonesia, Conservation International Indonesia, The Nature Conservancy, Biodiversity Support Program, University of Rhode Islands, and International Resources Group.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Number of Targeted Institutions Exceeding 2.5 on the Institutional Development Framework (IDF)	13 (1998)	40	35	44
Number of Policy Advances Along Policy and Enabling Condition Index	28 (1997)	493	364	447
Number of site-specific management plans/agreements between stakeholders that are GOI recognized and under implementation	12 (1997)	78	92	131

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Indonesia			
Title and Number: Democratic Transition Strengthened, 497-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	31,897 DA	9,777 DA	22,120 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	19,491 DA	18,335 DA	
	0 CSD	0 CSD	
	6,825 ESF	898 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	51,388 DA	28,112 DA	23,276 DA
	0 CSD	0 CSD	0 CSD
	6,825 ESF	898 ESF	5,927 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	300 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	14,500 DA		
	0 CSD		
	11,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**14,500 DA**		
	0 CSD		
	11,300 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**14,400 DA**	**0** DA	**80,288** DA
	0 CSD	**0** CSD	**0** CSD
	26,000 ESF	**0** ESF	**44,125** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

U.S. Financing (In thousands of dollars)			
Program: Indonesia			
Title and Number: Protecting the Health of the Most Vulnerable Women and Children, 497-008			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	58,024 DA	36,647 DA	21,377 DA
	4,300 CSD	0 CSD	4,300 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	4,750 DA	12,144 DA	
	11,250 CSD	4,300 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	62,774 DA	48,791 DA	13,983 DA
	15,550 CSD	4,300 CSD	11,250 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	1,332 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	8,000 DA		
	18,950 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**8,000 DA**		
	20,282 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**15,000 DA**	DA	**85,774** DA
	18,925 CSD	**0** CSD	**54,757** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

* Allocation of FY 99 Displaced Orphans and Children funds from Global Bureau.

	U.S. Financing (In thousands of dollars)		
Program: Indonesia			
Title and Number: Improved Food Security for the Most Vulnerable Groups, 497-009			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	2,849 DA	254 DA	2,595 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,500 DA	1,503 DA	
	2,500 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	4,349 DA	1,757 DA	2,592 DA
	2,500 CSD	20 CSD	2,480 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	3,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**3,000 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**3,000 DA**	**0** DA	**10,349** DA
	0 CSD	**0** CSD	**2,500** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Indonesia			
Title and Number: Urban Environmental and Energy Management Strengthened, 497-010			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	43,204 DA	29,602 DA	13,602 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	5,500 DA	5,684 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	48,704 DA	35,286 DA	13,418 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	6,500 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**6,500 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**8,500 DA**	**0** DA	**63,704** DA
	0 CSD	**0** CSD	**0** CSD
	2,000 ESF	**0** ESF	**2,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Indonesia			
Title and Number: Recovery of Economic and Financial Systems, 497-011			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	120,611 DA	106,003 DA	14,608 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	7,888 DA	7,848 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	128,499 DA	113,851 DA	14,648 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	13,550 DA		
	0 CSD		
	12,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**13,550 DA**		
	0 CSD		
	12,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**12,675 DA**	**0** DA	**154,724** DA
	0 CSD	**0** CSD	**0** CSD
	18,000 ESF	**0** ESF	**30,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Indonesia			
Title and Number: Strengthened and Decentralized Natural Resources Management, 497-012			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	64,518 DA	48,756 DA	15,762 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	9,476 DA	9,413 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	73,994 DA	58,169 DA	15,825 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	7,500 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**7,500 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**7,500 DA**	**0** DA	**88,994** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**0** ESF	**4,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

The United States Agency for International Development

Indonesia

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance [1]	43,705	38,606	53,050	61,075
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund [2]	9,130	13,450	18,950	18,925
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds [3]	0	5,425	23,000	50,000
P.L. 480 Title II	46,833	34,119	13,680	5,000
P.L 480 Title III	0	0	0	0
Total Program Funds	**99,668**	**91,600**	**108,680**	**135,000**
Operating Expenses	3,034	3,538	3,800	4,500
Trust Funds	827	707	630	630
Total Operating Costs	**3,861**	**4,245**	**4,430**	**5,130**

[1] FY 1999 Development Assistance excludes $10 M in prior year reobligations (recoveries) and $15 M in OTI.

[2] FY 2000 Child Survival and Disease fund excludes $1.332M in FY 99 carryover for Displaced Children & Orphans.

[3] FY 1999 Economic Support fund excludes $1.7 M in FY 98/99 carryover reprogrammed from other countries.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				

U.S. Direct Hire	13	16	18	19
Other U.S. Citizen	2	1	1	1
FSN/TCN	75	79	78	78
Subtotal OE Funded	**90**	**96**	**97**	**98**
Program Funded*				
U.S. Citizen **	3	10	14	14
FSN/TCN	5	17	14	14
Subtotal Program Funded	**8**	**27**	**28**	**28**
Other				
TAACS	0	0	0	0
Fellows	4	5	4	4
IDIs/NEPs	0	0	0	0
Subtotal Other	**4**	**5**	**4**	**4**
Total Work Force	**102**	**128**	**129**	**130**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

** Includes PASA

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
497-007 - Democratic Transition Strengthened							
- DA	0	0	0	14,400	0	0	14,400
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	26,000	0	0	26,000
- P.L. 480/II	0	0	0	0	0	0	0
497-008 - Protecting the Health of the Most Vulnerable Women and Children							
- DA	0	15,000	0	0	0	0	15,000
- DFA	0	0	0	0	0	0	0
- CSD	0	18,925	0	0	0	0	18,925
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0

- P.L. 480/II	0	0	0	0	0	0	0
497-009 - Improved Food Security For the Most Vulnerable Groups							
- DA	3,000	0	0	0	0	0	3,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	5,000	5,000
497-010 - Urban Environmental and Energy Management Strengthened							
- DA	0	0	8,500	0	0	0	8,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	2,000	0	0	0	2,000
- P.L. 480/II	0	0	0	0	0	0	0
497-011 - Recovery of Economic and Financial Systems							
- DA	12,675	0	0	0	0	0	12,675
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	18,000	0	0	0	0	0	18,000
- P.L. 480/II	0	0	0	0	0	0	0
497-012 - Strengthened and Decentralized Natural Resources Management							
- DA	0	0	7,500	0	0	0	7,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	4,000	0	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	15,675	15,000	16,000	14,400	0	0	61,075
- DFA	0	0	0	0	0	0	0
- CSD	0	18,925	0	0	0	0	18,925
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0

- ESF	18,000	0	6,000	26,000	0	0	50,000
- P.L. 480/II	0	0	0	0	0	5,000	5,000

Mission Director, Desaix B. Myers

The United States Agency for International Development

ISRAEL

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

The overall goal of U.S. assistance to Israel is to support the furtherance of peace in the Middle East, initiated at Camp David when Egypt and Israel signed the Peace Accords. The process moved forward with Israel's signing of the Declaration of Principles with the Palestinians on September 13, 1993 and the Interim Agreement on September 28, 1995, the Wye River Memorandum of October 23, 1998, and the signature of the Peace Treaty with the Jordanians on October 17, 1994. Israel remains the only country in the region with a fully democratic form of government.

Israel's economy has responded favorably in recent years to the restructuring imposed after the crises and hyperinflation of the mid-80's. Economic growth has averaged six percent since 1990, as the economy becomes increasingly sophisticated and technologically advanced. Despite this, the government still faces economic challenges associated with absorbing nearly 900,000 immigrants since 1989 in a country of only six million. In 1998, growth slowed to only 1.9%, implying a per capita decline in GDP of .5%, and unemployment grew to over 8.7%. Israel's political and economic stability, stressed by the recent absorption of vast numbers of immigrants, continues to be important in furthering the U.S. foreign policy objective of supporting the Middle East Peace Process.

Concurrently, the unanticipated and substantial expenditures associated with the implementation of the peace agreements with the Palestinians and Jordan have exacerbated Israel's domestic budget deficit. U.S. assistance provides Israel the funds it needs both to promote economic reforms and to carry out a domestic agenda that reinforces the government's peace process policy.

The Development Challenge

There has been some success by the Government (GOI) in stabilizing the economy of Israel, in spite of the massive inflow of immigrants, which has increased the population by about 18% since 1989. Since 1993, export competitiveness has improved, and inflation has been reduced. Expanding business investment and governmental infrastructure investment, coupled with sustained export growth, are projected to help Israel reach its gross domestic product growth rate potential of about five percent. In FY 1999, Congress began a reduction of the economic assistance earmark in recognition of this progress.

To strengthen the economy, more work is needed to liberalize and restructure the large public sector. Continued expenditure reductions and privatization of public sector enterprises are needed, but political obstacles remain.

Other Donors

The United States remains the largest bilateral donor.

The United States Agency for International Development

Israel

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The structure of the USAID program for Israel is atypical of other USAID assistance programs in that there is neither projectized assistance nor USAID staff in Israel for this program. Rather, the program supports the implementation of the historic Camp David accords and provides Israel with an annual cash transfer. Hence, there are no structured specific objectives.

The fundamental USAID objective in Israel is to reduce Israel's balance-of-payment pressures as it continues to pursue the economic reforms required for financial stability and structural adjustments needed for rapid sustainable growth. Though the U.S. cash transfer is not conditioned on economic policy reform, the ongoing U.S. State Department-chaired Joint Economic Development Group encourages Israeli reforms to: reduce government spending and deficits, improve tax and public wage structures, increase privatization, reform labor markets and continue to liberalize its trade regime. The cash transfer is used by Israel primarily for repayment of debt to the United States, including Foreign Military Sales debt, and purchases of goods and services from the United States.

By supporting and maintaining the peace process, the program encourages more investment and economic activity, thereby contributing to increased foreign exchange earnings. The GOI's resultant ability to forge new relationships with its neighbors provides further stimulus for exporting goods. Eased border crossings, another result of the peace process, also promise new sources of tourists and export markets.

ACTIVITY DATA SHEET

PROGRAM: Israel
TITLE AND NUMBER: Support Policy Reform for Financial Stability and Structural Adjustments Needed for Rapid Sustainable Growth, 271-001 (271-K-639)
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDNG SOURCE: $949,056,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $840,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The purpose of the Israel Cash Transfer is to support policy reforms required for financial stability and structural adjustments needed for rapid sustainable growth. The overall goal of U.S. assistance to Israel is to support the furtherance of peace in the Middle East, initiated at Camp David when Egypt and Israel signed the Peace Accords. Israel remains the only fully democratic government in the region. Its political and economic stability, stressed by the recent absorption of vast numbers of immigrants, continues to be important in furthering U.S. foreign policy objectives in the Middle East.

Key Results: The fundamental USAID objective in Israel is to reduce Israel's balance-of-payment pressures as it continues to pursue the economic reforms required for financial stability and structural adjustments needed for rapid sustainable growth. Though the U.S. cash transfer is not conditioned on economic policy reform, the ongoing U.S. State Department-chaired, Joint Economic Development Group encourages Israeli efforts to reduce government spending and

deficits, improve tax and public wage structures, increase privatization, reform labor markets and continue to liberalize its trade regime. Since 1993, export competitiveness has improved, and inflation has been reduced. Expanding business investment and governmental infrastructure investment, coupled with sustained export growth, are projected to help Israel reach its gross domestic product growth rate potential of about five percent.

Performance and Prospects: FY 2001 funds will be provided as a cash transfer and will be used by Israel primarily for repayment of debt to the United States, including Foreign Military Sales debt, and purchases of goods and services from the United States. The U.S. State Department will continue to encourage Israeli reform to reduce government spending and deficits, to improve tax and public wage structures, to increase privatization, to reform labor markets and to continue to liberalize its trade regime.

Possible Adjustments to Plans: None.

Other Donors Programs: The United States is the largest bilateral donor to Israel.

Principal Contractors, Grantees, or Agencies: The transfer is accomplished by a direct grant to the Government of Israel.

Selected Performance Measures: By supporting and maintaining the peace process, the program encourages more investment and economic activity, thereby resulting in increased foreign exchange earnings. The GOI's resultant ability to forge new relationships with its neighbors provides further stimulus for exporting goods. Eased border crossings, another result of the peace process, also promise new sources of tourists and export markets.

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Israel			
Title and Number: Support Policy Reform for Financial Stability and Structural Adjustments, 271-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1998	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,200,000 ESF	1,200,000 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 1999	0 DA	0 DA	
	0 CSD	0 CSD	
	1,080,000 ESF	1,080,000 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,280,000 ESF	2,280,000 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2000 NOA	0 DA		
	0 CSD		
	949,056 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2000	**0 DA**		
	0 CSD		
	949,056 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2001 NOA	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	840,000 ESF	**0** ESF	**4,069,056** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

The United States Agency for International Development

Israel

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	1,200,000	1,080,000	949,056	840,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**1,200,000**	**1,080,000**	**949,056**	**840,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0

Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
271-001 Support Policy Reform for Financial Stability and Structural Adjustments Needed for Rapid Sustainable Growth							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	840,000	0	0	0	0	0	840,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	840,000	0	0	0	0	0	840,000
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

JORDAN

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
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Introduction

USAID economic assistance to Jordan is an important element in the U.S. effort to promote peace and stability in the Middle East. Jordan's desire for peaceful solutions to the region's complex political problems continues despite the various political and economic obstacles encountered along the way. One year after the death of King Hussein, Jordan continues to play an important and influential moderating role in the region. However, several consecutive years of slow economic growth and declining per capita income is causing increasing concern. Further frustration is bound to emerge if expectations of prosperity stemming from Jordan's 1994 peace treaty with Israel remain unfulfilled or if the Middle East peace process stalls. As final status talks between the Israelis and Palestinians get underway and the prospect for movement on other tracks of the Middle East Peace Process increases, maintaining strong U.S. support for Jordan is as critical as ever.

USAID remains at the forefront of U.S. efforts to promote economic growth in Jordan. USAID-funded initiatives make an integral and visible contribution to U.S. foreign and economic policy objectives. USAID's program in Jordan directly supports U.S. national security interests (regional peace, support for allies), economic prosperity goals (broad-based economic growth, implementation of economic reforms, expanded trade and market development) and global concerns (stabilized population, quality maternal healthcare, environmental concerns). The current USAID strategy in Jordan runs through 2001. The shape and magnitude of future USAID programming will depend on a variety of political and economic factors, including developments within Jordan and the outcome of the on-going regional peace process.

The Development Challenge

USAID's strategy addresses three inter-related development constraints that are central to Jordan's prospects for lasting economic and social prosperity: too little water; too rapid population growth; and too few jobs. This formulation highlights the systemic nature of Jordan's primary development impediments. It also underscores the necessity to address each of these factors concurrently. Jordan's high population growth rate places enormous pressure on the Kingdom's scarce natural resources, especially water. So too, rapid population growth makes it increasingly difficult to find productive employment for an increasing number of Jordanians entering the workforce each year. Failure to address the population growth rate, and access to water and jobs, will jeopardize development prospects and gains to date.

One of USAID's main objectives is to improve water resource management in Jordan. Annual water demand is expected to increase to 1.2 billion cubic meters by 2001, far above the 750 million cubic meters (mcm) now available on a sustainable basis. On a per capita basis, freshwater availability in Jordan is among the lowest in the world. In response, USAID is supporting the Government of Jordan's (GOJ's) 14-year, $5 billion priority water investment plan whose chief objective is to maximize efficient use, allocation and management of this crucial resource. USAID is also one of the lead donors in improving wastewater management which will help abate serious environmental degradation while augmenting water availability from a source that would otherwise be wasted. During 1999, USAID initiated a new water

policy implementation program focused on reducing groundwater depletion and optimizing the reuse of treated wastewater. USAID also launched a new program to encourage private sector participation and an activity to strengthen the government's capability to develop, contract and manage major water infrastructure projects. With USAID assistance, the Ministry of Water and Irrigation (MWI) is planning a major Build-Operate-Transfer (BOT) wastewater project and a private sector management contract for the Wadi Mousa water and wastewater facility near Petra, now under construction. Finally, a rapid USAID response helped bring Amman's major water treatment plant that had been temporarily shut down back into operation in 1998. Additional improvements have since been made that averted a similar situation during the summer of 1999, a time of severe drought.

Due to Jordan's high population growth rate, USAID is also focussing on improving access to, and the quality of, reproductive and primary healthcare. Encouraging progress has been made, as evidenced by the signs of a demographic transition now underway. These indications include increased contraceptive use, accompanied by decreasing fertility rates and family size. The modern contraceptive prevalence rate increased from 27% in 1990 to 39.8% in 1999, putting the country well within reach of the National Population Commission's 41.5% target by the year 2000. Similarly, fertility rates have declined from an estimated 5.6 children per woman in 1990 to 3.8 children per woman in 1999. With USAID's assistance, the Ministry of Health (MOH) is adopting new approaches in delivering comprehensive maternal and child health care services. USAID-supported Comprehensive Postpartum Centers (CPPs) are due to increase from 12 in 1997 to 21 in 2000 and will help reach outlying population centers. The percentage of women delivering in hospitals with CPP Centers who return for postpartum/family planning services is expected to increase from 6 in 1990 to 65 in 2000.

Impressive progress was made in several key economic reform areas during 1999. USAID's economic opportunities program was well positioned to take advantage of King Abdullah's energetic leadership in building a world-class economic and business environment, and in promoting private sector trade and investment. USAID's economic growth strategy should further increase economic opportunities for Jordanian citizens, thus ensuring broader participation in future economic expansion. This is important because economic stagnation, lower per capita incomes and high unemployment are causing growing concern. To create economic opportunities at the lower end of the income scale, USAID expanded a major microfinance initiative that will continue to make financial services available to economically disadvantaged Jordanians. USAID is also providing significant assistance to enable Jordan to join the World Trade Organization. The pace of privatization as well as reform related to trade, investment and the financial sector is increasing. An annual $50 million for a policy reform-based cash-transfer initiative provides assistance to sustain Jordan's market-based, economic reform program. These interventions are already increasing economic opportunities: the number of micro-credit borrowers has increased 210% within the past two years; partial privatization of state-owned enterprises in 1999 generated more than $120 million; and the Investment Promotion Corporation facilitated investments totaling $608 million in the first ten months of 1999.

Other Donors

According to official Jordanian sources, the country received approximately $286 million in donor grant aid and $366 million in assistance loans during 1999. The United States was the largest grant donor, providing approximately $200 million. Other major grant donors included Japan ($40 million), Germany ($15 million), and the United Nations ($8 million). With regard to loan assistance, the World Bank was Jordan's largest creditor, providing $210 million during 1999, followed by the Arab Fund for Economic Development ($77 million). The Ministry of Finance was the largest recipient of these loan funds, using the assistance in part for balance of payments support.

The United States Agency for International Development

Jordan

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID programming will continue to pursue both the Department of State Mission Performance Plan (MPP) and USAID agency-level goals. The water strategic objective directly addresses global environmental issues as well as economic growth constraints. Similarly, the reproductive and primary health initiative is aligned directly with the Agency goal of promoting sustainable population growth rates. Finally, USAID's economic opportunity strategic objective strengthens market forces, expands access to financial services for the poor and works to achieve broad-based economic growth.

ACTIVITY DATA SHEET

PROGRAM: Jordan
TITLE AND NUMBER: Improved Water Resources Management, 278-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDNG SOURCE: $83,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $60,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's Improved Water Resources Management Strategic Objective supports U.S. foreign policy objectives focused on reducing global environmental degradation and promoting economic prosperity. Because water scarcity has been a key issue in the Middle East peace process, improving Jordan's ability to manage its limited water resources helps support regional stability. USAID's water sector programs aim at strengthening key public sector water institutions, increasing water use efficiency and improving the quality of treated wastewater for use in agriculture and industry, thereby increasing the quantity of freshwater available for human consumption.

All Jordanians benefit from improvements in the water sector. Emergency and subsequent medium-term improvements to the Zai water treatment plant continue to benefit approximately 600,000 residents of Amman. An estimated 40,000 residents and tourists will directly benefit from the new wastewater treatment facilities now under construction at Wadi Mousa near Petra. This will also help protect Jordan's premier tourist attraction. New and expanded wastewater treatment facilities in the north Jordan Valley and Aqaba will benefit about 70,000 and 120,000 residents, respectively.

Key Results: USAID supports activities designed to achieve the following results: 1) stronger public sector institutions with the capacity to better manage the country's water resources and finance needed capital investment in the sector in place; 2) water use efficiency increased, in part by reducing wastage caused by leaks, contamination, ineffective management and inefficient irrigation practices; and 3) quality of treated wastewater improved, allowing greater reuse in agriculture and industry.

Performance and Prospects: Through 1998, strengthening water institutions focused on improving data collection and analysis, installing new information management systems for the Ministry of Water & Irrigation (MWI), the Water Authority of Jordan (WAJ) and the Jordan Valley Authority (JVA) and developing key water policies. During 1999, USAID initiated a new water policy implementation program focused on reducing groundwater depletion and optimizing the reuse of treated wastewater. USAID also launched a new program to encourage private sector participation in the water sector and an activity to strengthen the government's capacity to develop, contract and manage major infrastructure

projects. With USAID assistance, the MWI is planning a major BOT wastewater project and a private sector management contract for the Wadi Mousa water and wastewater facility now under construction.

In the agriculture sector, USAID is providing a variety of technical assistance focused on increasing irrigation tariffs and increasing cost recovery for JVA. In coordination with other donors, USAID is also engaged in policy dialogue with the GOJ on the need for significant structural reforms in the irrigated agriculture sector,

Improving the use of existing water supplies will help stretch scarce water resources further. This includes reducing losses due to physical leaks, contamination and poor irrigation practices. In response to a drinking water crisis in 1998, USAID provided emergency assistance to help bring the Zai Water Treatment Plant serving 40% of Amman's population back into operation after it had been temporarily shut down because of an instance of contamination. USAID subsequently funded additional improvements that enabled the plant to effectively treat the raw water and operate at full capacity throughout the summer of 1999, a period of severe drought. USAID is also financing the upgrading of the environmental health laboratory of the Ministry of Health, including the purchase of analytical equipment and staff training. In addition, USAID is funding a portion of a multi-donor program to rehabilitate and restructure the entire water network of Amman and rehabilitating ten contaminated springs and wells throughout the country. Other USAID activity includes support for a pilot program to enable irrigation extension agents to work directly with farmers in the Jordan Valley to reduce irrigation water use and increase yields. Early results of the program are promising. Finally, a new water education and media program carried out by a U.S. NGO in partnership with Jordanian NGOs will be initiated in early 2000.

Improving the quality of wastewater is another USAID priority. Four major projects are currently in the design or construction phase. Construction of a new wastewater treatment plant near Petra is now about two-thirds complete. Once in operation, the plant will provide modern wastewater facilities for four communities and help to reduce environmental degradation around the Petra National Park, a World Heritage Site. Design is underway for wastewater conveyance and treatment facilities in the north Jordan Valley and for the expansion of the wastewater facility in Aqaba. Construction at both sites is expected to commence in early 2001. These two projects will help Jordan meet is commitments under the 1994 Peace Treaty with Israel to reduce pollution in the Jordan River and the Gulf of Aqaba. USAID is also planning to support the construction of a new wastewater treatment plant to replace the current plant at As-Samra, which is greatly overloaded. This project is being designed as a BOT with a significant grant component from USAID. When complete in 2004, the plant will serve over 2 million residents of Greater Amman and Zarka.

Possible Adjustments to Plans: No major adjustments are planned at this time; however, USAID anticipates providing additional emergency assistance such as funding for critical water supply projects to deal with the ongoing drought.

Other Donor Programs: Water sector investments in Jordan are shaped in large part by a $5 billion, 14-year GOJ plan that covers all aspects of the Kingdom's water supply and wastewater treatment facilities and services. Donor coordination is excellent, with the World Bank ($55 million), Japan ($10 million), Germany ($1.8 million), and Canada ($5 million) all providing substantial resources for these initiatives in 1999. Both Japan and Germany support construction of new conveyance and treatment systems bringing "peace water" from the Jordan Valley to Amman. This work complements USAID's upgrades at the Zai Water Treatment Plant. Similarly, both Germany and France are funding a new water supply system at Wadi Mousa, while USAID finances the construction of a new wastewater collection and treatment system.

Principal Contractors, Grantees or Agencies: Major U.S. contractors include Camp, Dresser & McKee, Inc., Morganti Group, Hazen and Sawyer, Metcalf & Eddy and Montgomery Watson for engineering and construction work. Abt & Associates, Associates in Rural Development, Development Alternatives, Inc. and Chemonics, Inc. are providing technical assistance on privatization, policy implementation, cost recovery and tariff restructuring and host country contracting, respectively. Major Jordanian counterparts include the MWI, WAJ and JVA.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Increased volume of fresh water available (million cubic meters/yr.)	0	0	45mcm	13.95mcm	2.2mcm
Volume of wastewater treatment capacity (million cubic meters/yr.)	0	0	0	1.24mcm	1.24mcm
Increased private participation in water sector (number of contracts)	0	0	0	1	1

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Jordan
TITLE and NUMBER: Improved Access to and Quality of Reproductive and Primary Health Care, 278-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDNG SOURCE: $20,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $15,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's Improved Access to and Quality of Reproductive and Primary Health Care Strategic Objective supports U.S. foreign policy concerns affecting global issues such as world population growth and maternal and child health. Jordan's 2.6% annual rate of natural increase is among the highest in the world. Given the pressures that rapid population growth places on a resource-scarce country, USAID's health sector strategy also supports U.S. economic and environmental foreign policy objectives. The strategy is designed to improve maternal and child health by ensuring the availability of quality reproductive and maternal health care services and promoting rationalized health care financing. Jordanian women between the ages of 15 and 49 will benefit from USAID's initiatives. Moreover, children will also benefit from the substantial maternal health improvements that birth spacing and an improved primary health care system can provide.

Key Results: USAID supports activities designed to achieve the following key results: (1) knowledge of contraceptives improved; (2) availability of reproductive and primary health care (RH/PHC) services increased; (3) private sector family planning services expanded; and (4) health financing systems rationalized and improved.

Performance and Prospects: Performance thus far exceeds USAID targets for improved quality and increased availability of reproductive health services and products. USAID continues to be the major donor for family planning (FP) services, supplies and information, and training for physicians, nurses, midwives and pharmacists. Those interventions have contributed to the progressively increasing contraceptive prevalence rate from 27% in 1990 to 39.8% in 1999, thus exceeding this year's target of 39.2%. USAID-funded programs have also contributed to a decline in the total fertility rate from 5.6 children per woman in 1990 to 3.8 children per woman in 1999.

The Government of Jordan significantly strengthened support for population policy by agreeing to use USAID local currency to help fund the National Population Commission (NPC) for the next six years. The national population strategy, approved in 1996, was revised this year to include more emphasis on the implementation of family planning programs. A USAID financed media campaign and increased support for counseling in family planning services contributed to the fourfold increase since 1995 in the number of family planning clients receiving services at the various postpartum centers.

During the last year, USAID supported a new initiative to promote male participation in, and support for, family planning. The program appears to have had impact as suggested by a recent survey that indicated that the percentage of men who support family planning increased from 74% to 84%. The percentage of men who want more children also decreased. For the first time since 1995, religious leaders expressed interest in improving their knowledge of family planning and gender issues. Policy presentations on the implications of rapid population growth on Jordan's social and economic development have been presented to parliamentarians, religious leaders, and other decision makers.

Almost all births in Jordan occur in hospitals. The 14 functioning USAID funded Comprehensive Post Partum (CPP) centers, located in the largest public hospitals, attracted 65% of the women who had delivered in those hospitals to come back for postpartum and family planning services. This represents a tenfold increase over the 1995 level and exceeds the target by 5%. Seven more centers will begin providing CPP services in early 2000. Lessons learned from this activity are being integrated into the new USAID Primary Health Care Initiative (PHCI). Over the next five years, PHCI will expand the availability and improve the quality of reproductive health services at more than 300 primary health care centers across Jordan. PHCI will also help ensure that the substantial progress achieved in reproductive health is not eroded as a result of management inefficiencies or resource inequalities. An effective contraceptive distribution system, essential for the success of family planning services, has been institutionalized to provide contraceptives to all public and NGO service centers.

Rationalizing Jordan's health care financing system is an important area of USAID involvement. Rapid population growth, due to the increase in the number of women entering their peak childbearing years despite declining fertility rates, places enormous pressure on the health care system, especially in the area of reproductive and primary health care. In FY 2000 and FY 2001, USAID is assisting the MOH in the development of an epidemiological surveillance system. This system should enable the GOJ to plan and budget resources for the most prevalent health conditions; introduce a national health

accounts system; increase private-sector participation in health care service delivery; review national accreditation and licensing rules for health care providers; strengthen the ability of MOH to lead health-related policy dialogue and better manage its implementation; and to evaluate health insurance schemes in developing financing options and payment mechanisms.

Possible Adjustments to Plans: Although the policy environment for family planning is positive, USAID plans to further expand policy dialogue efforts, assisted in part by a forthcoming study on barriers to family planning. Recommendations provided in the study should help further shape program activities and overcome identified constraints. Additional assistance is planned for the private sector that currently provides over 60% of the family planning services available in Jordan.

Other Donor Programs: USAID, along with the World Bank, remains the largest donor in the population and family planning sector. USAID programs are closely coordinated with those of other donors working in the population field, especially the World Bank, United Nations Fund for Population Activities (UNFPA) ($4.5 million over five years) and Japanese International Cooperation Agency (JICA). The MOH provides necessary personnel and facilities for all program activities. In 1998, the MOH contributed approximately $300,000 in commodities for hospitals where USAID-funded CPP Centers are co-located. Additionally, Jordan Television, in cooperation with the MOH, provided $225,000 in free, prime-time advertising for USAID-funded family planning infomercials.

Principal Contractors, Grantees or Agencies: Current contractors and grantees include Johns Hopkins University, U.S. Bureau of Census, Abt Associates, Harvard University, Pathfinder, Futures Group, Deloitte Touche Tohmatsu, John Snow, the Academy for Educational Development and the Centers for Disease Control. Major host country partners include the MOH, Jordan University Hospital, Royal Medical Services, Department of Statistics and NGOs.

Selected Performance Measures:	**Baseline (1990)**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Modern Contraceptive Prevalence Rate	27	38.7	39.8	40.8	41.8
% of women delivering in hospitals with CPP centers who return for postpartum/FP services[1]	6	56	65	60	
% of increased revenue generation in Jordan Association for FP clinics[1]	0	62	89.7	80	

[1]Monitoring of this result ends in FY2000, thus no target is included for FY2001.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Jordan
TITLE and NUMBER: Increased Economic Opportunities for Jordanians, 278-005
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDNG SOURCE: $96,500,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $75,000,000 ESF
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's Increased Economic Opportunities Strategic Objective directly supports U.S. foreign policy interests by promoting open markets and broad-based economic growth. It also indirectly promotes regional stability and economically strengthens a key U.S. ally whose economy has been adversely affected by regional events and the closure of traditional markets. The USAID Economic Opportunities strategy is designed to promote trade and investment, support the small and micro-enterprise sector and advance Jordan's market-based economic restructuring program.

Key Results: USAID activities in the economic opportunity area are designed to achieve the following results: (1) access to business services increased; (2) more effective policy reform measures identified and implemented; and (3) environment for sustained policy reform improved through a $50 million per year economic policy-based, balance of payments cash transfer program. These three results address Jordan's economic growth challenges, reinforce a market-based foundation for sustainable economic growth, and support micro, small and medium businesses, the heart of Jordan's economy.

Performance and Prospects: During the last year, Jordan effected a series of wide-ranging measures designed to open markets, overcome structural economic obstacles and integrate the country more closely with the wider global economy. USAID's economic opportunities program was well-positioned to take advantage of King Abdullah's energetic leadership in building a world-class economic and business environment, and promoting private sector trade and investment.

Over the past year, USAID expanded the impact and reach of its business services activities. Microfinance services now reach an estimated 11,000 active borrowers, representing an 83% increase from 1998. Repayment rates are also impressive, with 98% of all microfinance loans repaid. To support further growth, USAID established a formal microfinance training and professional certification program at the Jordan Institute of Banking Studies. Assistance to improve marketing, quality standards and management of small- and medium-sized companies was provided to 50 firms during the first full year of operation of the USAID-funded Jordan U.S. Business Partnership (JUSBP). JUSBP also worked with USAID's Access to Microfinance and Implementation of Policy Reform Program (AMIR) to develop a comprehensive strategy to develop Jordan's software and information technology services industry. With 43% of Jordan's population under the age of 15, USAID's launch of a new school-based youth business skills initiative (INJAZ - "achievement" in Arabic), modeled after the U.S. Junior Achievement Program. INJAZ represents a timely initiative aimed at enhancing youth skills in a private sector economy.

Under the policy implementation component, USAID provided extensive technical assistance and training in support of the Government of Jordan's (GOJ) economic reform program aimed at increasing private sector growth. New World Trade Organization (WTO)-consistent copyright, trademark and patent laws were drafted and enacted with USAID assistance, bringing Jordan to the brink of accession to the WTO. Financial markets development received increased USAID emphasis during 1999, with the initiation of a new capital markets activity. Key objectives include the automation of securities clearing and settlement, as well as the certification and training of brokers. A government debt securities market initiative was also started at the Ministry of Finance, with technical assistance provided by the U.S. Department of Treasury. The USAID-funded World Bank technical assistance fund provided high-quality advisory services in support of several major privatization transactions. It also contributed toward development of a modern insurance industry and improved accounting and audit standards. Through the AMIR Program's business associations' activity, USAID helped launch the first private sector-driven, national-level economic strategy initiative, "Jordan Vision 2020." This, in turn, became the catalyst for an innovative pubic-private sector partnership focused on key reforms that need to be undertaken to ensure Jordan's competitiveness in a global economy.

USAID's policy-based, balance of payments program for 1999 increased from a planned level of $50 million to $100 million, as a result of Wye Supplemental funding. As in previous years, disbursement was conditioned on economic reforms related to trade and investment, financial and legal reforms, and privatization. As a result, the GOJ initiated a comprehensive legal and regulatory reform agenda that enabled it to qualify for WTO accession. Also, the GOJ accelerated privatization of the Jordan Telecom Company and Royal Jordanian Airlines. Cash transfer-associated local currency was used to help support USAID and GOJ development priorities.

Possible Adjustment to Plans: Prospects are good for significant USAID economic opportunity program-related results during 2000. USAID business services activities for microfinance and small/medium enterprise development is on track to meet or exceed targets, providing tangible grassroots benefits. With the Wye Supplemental funding for FY 2000, USAID plans to start a major assistance activity in the economically depressed southern Jordan region of Aqaba. Current plans are to develop a modern industrial estate as a means of mobilizing private sector investment in labor-intensive, light manufacturing. With respect to economic policy reform and implementation, a number of important milestones are expected in 2000, including the enactment of 13 additional WTO-related laws, further progress in the privatization of Royal Jordanian Airlines and the revitalization of the Investment Promotion Corporation. A broadening activity in other areas related to economic opportunities is also possible, including such areas as income generation within eco-tourism and commercially-related judicial reform.

Other Donor Programs: USAID was by far the largest grant donor in the economic growth area in 1999. The World Bank also provided soft loans ($100 million) to support the GOJ's economic reform program. Germany provided support for the National Information System project ($1.5 million). Japan provided grant funding ($25 million) to support economic growth in Jordan. The European Union, United Nations, European Investment Bank, and Canada provided grants to support various economic development activities. USAID has excellent donor coordination with all bilateral and multilateral donors in Jordan. USAID works particularly closely with the World Bank in economic policy reform implementation, the United Nations Development Program (UNDP) in the microfinance sector and the Foreign Investment Advisory Service (FIAS) in promoting foreign direct investment promotion.

Principal Contractors, Grantees or Agencies: Primary contractors and grantees include Chemonics, Save the Children, Cooperative Housing Foundation, International Executive Service Corps, UNDP, the World Bank and Peace Corps.

USAID's primary GOJ counterpart is the Ministry of Planning. USAID also works closely with the Ministries of Industry and Trade and Finance, the Central Bank, the Customs Department, the Executive Privatization Unit, The Jordan Securities Commission and the Investment Promotion Corporation. In addition, local business associations and private-sector firms benefit from USAID assistance in the economic opportunity area.

Foreign direct and domestic investments facilitated by Investment Promotion Corporation incentives (millions of US$)

Selected Performance Measures:	**Baseline (1996)**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Increase in number of companies registered	0	4.8%	NA	2.5%	3.0%
Number of Micro and small-entrepreneurs using commercial bank4	4,320	6,311	11,000	12,400	15,000
Repeat microfinance borrowers (as a % of total borrowers)	19%	24%	NA	31%	35%
Jordan accedes to the World Trade Organization	N/A Accession				

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: Jordan			
Title and Number: Improved Water Resources Management, 278-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	164,498 ESF	36,027 ESF	128,471 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	60,000 ESF	14,901 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	224,498 ESF	50,928 ESF	173,570 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	83,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	83,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	60,000 ESF	32,502 ESF	400,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Jordan			
Title and Number: Improved Access to and Quality of Reproductive and Primary Health, 278-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	10,718 DA	6,859 DA	3,859 DA
	0 CSD	0 CSD	0 CSD
	15,882 ESF	3,259 ESF	12,623 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	1,840 DA	
	0 CSD	0 CSD	
	15,000 ESF	5,893 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	10,718 DA	8,699 DA	2,019 DA
	0 CSD	0 CSD	0 CSD
	30,882 ESF	9,152 ESF	21,730 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	20,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	20,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	10,718 DA
	0 CSD	0 CSD	0 CSD
	15,000 ESF	**28,400** ESF	94,282 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Jordan			
Title and Number: Increased Economic Opportunites for Jordanians, 278-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	124,802 ESF	105,028 ESF	19,774 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	125,000 ESF	112,886 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	249,802 ESF	217,914 ESF	31,888 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	96,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	96,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	75,000 ESF	**28,448** ESF	449,750 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Jordan

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds [1] [2]	24,330	200,000	199,500	150,000
P.L. 480 Title II	1,174	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**25,504**	**200,000**	**199,500**	**150,000**
Operating Expenses	1,713	1,645	1,900	2,535
Trust Funds	670	790	850	850
Total Operating Costs	**2,383**	**2,435**	**2,750**	**3,385**

[1] FY 1999 excludes $115.67 M recoveries, gifts and donations from Israel & transfers of carryover from Egypt

[2] of which, $50 M in FYs 1999-2001 is funding for Wye River initiatives

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	11	11	12	13

Other U.S. Citizen	0	0	0	0
FSN/TCN	35	37	38	38
Subtotal OE Funded	**46**	**48**	**50**	**51**
Program Funded*				
U.S. Citizen	3	3	3	3
FSN/TCN	0	1	1	1
Subtotal Program Funded	**3**	**4**	**4**	**4**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**49**	**52**	**54**	**55**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
278-002 Improved Water Resources Management							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	60,000	0	0	0	60,000
- P.L. 480/II	0	0	0	0	0	0	0
278-003 Improved Access to and Quality of Reproductive and Primary Health Care							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	15,000	0	0	0	0	15,000
- P.L. 480/II	0	0	0	0	0	0	0
278-005 Increased Economic Opportunities for Jordanians							

- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	75,000	0	0	0	0	0	75,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	75,000	15,000	60,000	0	0	0	150,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Lewis W. Lucke

The United States Agency for International Development

LEBANON

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Since the end of the civil war that engulfed Lebanon from 1975 to 1991, the nation has been rebuilding itself. It is important to the United States that Lebanon progress as a stable, responsible, and prosperous partner that shares our goals of peace, democratic society and market economies. Moreover, Lebanon is a critical link to our goal of achieving a comprehensive settlement in the Middle East peace process. USAID assistance is designed to assure that we contribute to these goals. The current USAID/Lebanon strategy covers the period through 2002.

The Development Challenge

The end of the war provided an opportunity for many Lebanese to return to their homes and villages and to start rebuilding their lives. However, this return has been difficult and the majority of displaced have not been able to resettle. Lebanon, a country of about 3.5 million people, is in the process of extensive reconstruction; however, these efforts are hindered by fiscal imbalance, income distribution issues, social problems, and fragile political stability. Further exacerbating Lebanon's recovery is several external facts, as well. Specifically, and most important, Syria maintains military and security forces in Lebanon numbering perhaps 30,000 and greatly influences all major decisions by the Government of Lebanon (GOL). Also, approximately 200,000 Palestinian refugees are located in seven camps under the administration of the United Nations. Finally, Israeli forces continue to occupy approximately 12 percent of Lebanon. Since 1978, the United Nations Intervention Force in Lebanon (UNIFIL) has maintained a multinational force in South Lebanon, where fighting between the occupying resistance militias and Israeli forces is a daily occurrence.

Although the civil war ended in 1991, the confessional, regional, feudal, political and cultural frictions that caused the war remain. The political accommodation imposed by Syria at Ta'if, in 1989, produced an executive power-sharing troika based on confession, as is parliamentary representation. This has led to government by consensus that makes bold decision-making and policy reform difficult. Corruption is endemic, though the current government has made efforts to curtail the worst abuses. During the period 1992-1998, government efforts were focused primarily on massive reconstruction of infrastructure and utilities, both to reestablish the basic needs of society and to rebuild the economy. However, little was done in terms of economic and administrative reform or in support of industry, agriculture, services or the social sectors. Physical reconstruction has been successful, though costly, soaring public domestic debt, by 1999, soared to $18 billion, 120% of GDP. Also during this period, economic growth rebounded, until 1996, but slowed again, in 1999, due to a mild recession. The new government, inaugurated in late 1998, has taken appropriate austerity and modest structural reform measures, and is in regular consultation with the IMF. A mixed blessing for the Lebanese economy has been a continued high investor demand for Lebanese issued Eurobonds and treasury bills. Unfortunately, this demand has been driven by the high interest rates the GOL must pay.

Prior to the war, Lebanon enjoyed a burgeoning economy, increasingly based on services, banking and tourism, with some light industry and a relatively stable agriculture sector. Sustained economic growth had created a large middle

class, and the demographics of Lebanon were increasingly reflective of a more developed country. The war and its effects destroyed the tourism sector, severely depressed industry and agriculture, and facilitated the slow extinction of the middle class. The small middle class who remains continues to shrink, and this trend is exacerbated by emigration. Though per capita income currently exceeds $5,000 per annum, this number is highly skewed by the disparity in income distribution. However, the economy has some bright spots. Banking has enjoyed a substantial recovery, and light industry a modest one. Tourism has rebounded modestly and is expected to continue to grow as more hotels are rebuilt. The services sector is generally strong. And even though economic growth has stagnated, inflation has been maintained at modest levels and the currency is stable. Agriculture remains the most depressed sector contributing only 12 percent of GDP, but with perhaps 40 percent of the population dependent upon it.

During the war, the environment suffered, and has experienced increased pressure from unrestrained residential and commercial construction in most areas of the country. Perversely, some areas have been preserved due to continuing conflict, displacement, or benign neglect. Pollution of water resources is a major problem, as is urban air pollution, mostly from automobiles. Nevertheless, with the exception of the areas subject to urban sprawl, most of the environmental damage that has been sustained is reparable if measures to mitigate are taken now.

Although the Syrian presence and the strictures of the Ta'if accord do not lend themselves to dynamic reform, progress is being made. Municipal elections, held in 1998 for the first time in 35 years, have produced dynamic local governments that should prove to be an element for positive change. Lebanon enjoys a free press, and political debate is remarkably open given the political climate. The Government is under increasing pressure to institute reforms, and recent polling by USAID finds a general and strong consensus to stamp out corruption and institute administrative and economic reforms.

Other Donors

While U.S. assistance is approximately 5% of donor disbursements, the renewed U.S. Government (USG) commitment, announced at the Friends of Lebanon conference in December 1996, has enabled USAID to assume an active role in donor coordination. USAID's focus on rural community development--until recently not covered by other donors--has given USAID access to key decision-makers and a role in filling gaps in the overall donor effort. The largest amounts of assistance come from multilateral sources, for reconstruction of urban infrastructure, with the World Bank and European Union (EU) each accounting for approximately 16% of donor resources. Bilateral assistance is more varied, but also tilts toward urban infrastructure or trade financing. In 1998, Italy was the largest bilateral donor, followed by Saudi Arabia and France. The latest report of the United Nations Development Program (UNDP) shows cumulative available financing at $4.4 billion.

The United States Agency for International Development

Lebanon

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The USAID/Lebanon program will build on its demonstrated success and expand into new areas where similar success is possible. Our program will continue to support Agency goals of promoting economic growth, building democracy, protecting the environment and human capacity development. In the area of reconstruction and economic growth, the flagship of the program will continue to be the Rural Community Development Clusters, which now include 251 villages and almost 600 activities in basic infrastructure, income production, environment and civil society. The Clusters program has already been expanded to areas recently under occupation. Should occupation forces withdraw from other areas of southern Lebanon, USAID/Lebanon has prepared plans to quickly expand the Clusters program into these areas. While the number of microenterprise activities will remain at three, the volume of loans will continue to increase above the 10,000 reached in 1999. Economic Policy reform efforts will focus on implementation of three sector strategies developed in 1999, though new activities to support globalization may be undertaken in 2001. American educational institutions will receive both programmatic support and grants for scholarships and core programs, subject to the availability of funding.

The democracy and governance program was expanded in 1999, with the addition of commitments of $1.4 million from the Office of Transition Initiatives (OTI) for an anti-corruption program. Additionally, new areas of activity, such as rule of law, are being studied. Support to newly elected local governments has proven to be particularly successful, and has generated demand for the inclusion of more municipalities.

In 1998, the environmental program was expanded to include a humanitarian demining program, which has proven to be highly successful. Given the expectations of a withdrawal of occupying forces from South Lebanon, it is anticipated that this program will continue to require USAID support. The program to introduce innovative, appropriate and low-cost solutions to treatment of wastewater and solid waste in the village clusters has also proven highly successful. This program will be expanded significantly in 2001.

ACTIVITY DATA SHEET

PROGRAM: Lebanon
TITLE: Reconstruction and Expanded Economic Opportunity, 268-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $12,700,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: This strategic objective is the most complex in the program and contains a number of discrete activities. The Rural Community Development Clusters are the flagship of the program and are designed to aid in the process of reconstruction by returning rural communities to economic and social viability. Local citizens, acting through committees, select and implement projects, and contribute at least 25% of the cost. Five U.S. Non-Governmental Organizations (NGOs) share implementation responsibilities with these local committees in 31 clusters comprised of 251 rural communities, running basic infrastructure, income-producing, civic participation, and environmental activities. We estimate that more than 600,000 people benefit from the program.

The Micro-Finance portfolio consists of three active credit programs implemented by three different NGOs. Initially, the activities concentrated on village banking targeted exclusively at women. While such lending continues to expand, two newer programs are focusing on slightly larger loans. One of the new programs is paired with a commercial bank, which has increased its capital participation to 50% of the total. A multilateral donor is currently contemplating lending to this program.

The Capital Market activity has assisted the Government of Lebanon (GOL) to develop capital markets, by providing technical assistance to draft a modern securities law. A second activity, to strengthen the clearance, settlement and depository functions of MidClear, the financial clearing-house, by designing and procuring appropriate software and hardware, was begun in 1998.

The Economic Policy Reform activity targets the structural reform of three fundamental economic sectors: agro-industry; finance and regional services; and tourism. This activity, implemented by Stanford Research Institute, developed three national sector strategies and identified 27 reform initiatives, of which 15 are now being implemented.

Finally, the Small Grants program enhances the capabilities of local NGOs by providing assistance for discrete activities that may be completed within one year. Since 1997, 22 grants have been made and, after a one-year hiatus caused by the need to finance rural community development in Jezzine subsequent to the withdrawal of occupying forces, the program will be renewed in FY 2000.

Key Results: The projected result of this strategic objective is a significant contribution to the reconstruction and economic recovery of Lebanon in selected priority areas where USAID has sufficient resources and comparative advantage over the government or other donors. When USAID began working with rural communities, municipal governments and micro-finance, few donors were actively engaged in these areas. Given limited resources, a secondary objective of these efforts is their demonstration effect to the government and other donors, so they may be replicated. This principle applies to all activities, including economic policy and structural reform, though the most significant impact is expected in additional donor resources going to rural community development and support to local government.

Performance and Prospects: Since the initiation of the program, in 1997, 575 projects have been executed under the Rural Community Development component, and an additional 125 projects will be completed in FY 2000. These projects include construction of agricultural roads, schools, bridges, clinics, irrigation systems, potable water sources, wastewater collection and treatment facilities, and development of income-generation activities. The Rural Community Development component will be continued in FY 2001. Under the Micro-Finance program, over 21,000 loans to women have been provided in the oldest program, while the programs begun in 1998 and 1999 have together made 675 loans. Under the Dairy Improvement activity, 3,168 pregnant dairy cows have been distributed to 1,000 farmers, resulting in an increase in their earnings. This program has also contributed to the development of 58 new dairy production facilities in the private sector. The Economic Reform activity has invigorated the private sector and resulted in concrete action to implement the initiatives identified in the strategies developed in 1998.

In restoring and revitalizing normal life in rural areas, the local communities and the newly elected municipal governments have been actively involved in the planning and implementation of the activities cited above. The program has earned a reputation for being able to react quickly, as in the case of the de-occupation of the "Jezzine Pocket," which is a template for the anticipated de-occupation of the remaining occupied South. Within two weeks of the withdrawal, USAID had formed committees and initiated 15 activities. Since starting in Jezzine, USAID has initiated over 40 activities, with nearly two-thirds completed.

Possible Adjustments to Plans: For FY 2000, Congress has mandated that additional resources be provided to the American educational institutions in Lebanon, for scholarships and direct support. In FY 2000, $3 million will be provided as directed, in addition to program support already planned. No other adjustments are planned at this time.

Other Donor Programs: Virtually all major donors are involved in reconstruction and economic recovery, with the World Bank (WB) and European Union (EU) having the largest multilateral programs. Italy, Saudi Arabia and France lead bilateral programs, though most support is in trade finance in the form of loans. Most were used for large reconstruction projects in roads, telecommunications, power, and other utilities. Since USAID began its program in rural community development, there has been a marked increase in funding to rural areas by the EU, World Bank, Italy, and the UNDP. USAID is engaged in formal and informal cooperation with these donors and international NGOs, and is increasingly jointly funding activities, where feasible. A donor coordination committee and several subcommittees meet regularly, and several new working groups are planned to cope with municipal development and the anticipated withdrawal of occupying forces in South Lebanon.

Principal Contractors, Grantees or Agencies: USAID implements activities through U.S. and local organizations. The Rural Community Development Clusters activity is being implemented by five U.S. NGOs: Mercy Corps International , Young Men Christian Association (YMCA), Catholic Near East Welfare Agency (CNEWA), Cooperative Housing Foundation (CHF) and Creative Associates International Inc. (CAII). The Micro-finance program is being implemented by Save The Children, CHF, and the Makhzoumi Foundation. The Economic Policy Reform activity is implemented by Price Waterhouse/Stanford Research Institute and Lebanese American University (LAU). The MidClear activity is implemented by Price Waterhouse/Coopers/Metametrics and Baton Rouge International. All implementing NGOs interact with ministries and municipal governments, as needed. NGOs are encouraged to cooperate with other donors and to accept support from donors and local organizations. The implementing NGOs use an electronic consolidated reporting system, which tracks every activity and key indicator of results.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Selected Rural Communities Revitalized					
● Incremental number of hectares irrigated, cultivated, improved or accessed	0	7,838	13,420	19,155	25,256
● Number of families accessing new and/or improved social infrastructure	0	27,866	66,604	91,970	13,301
● Number of informal sector loans delivered (Total transactions)	0	9,871	11,900	17,300	40,730
Improved dairy production					
● Total volume of milk produced per year from USDA cows (In Liters)	0	6,190	17,174	21,621	23,078

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Lebanon
TITLE and NUMBER: Increased Effectiveness of Democratic Institutions, 268-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $900,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,000,000 ESF
INITIAL OBLIGATION: FY 1994 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: This special objective contributes to the rehabilitation and reform of the Parliament and local government to better manage a restructured central government and to carry out the country's redevelopment objectives. As part of this assistance, USAID introduces and reinforces concepts of transparency, accountability, and effectiveness of government. The beneficiaries are the Parliament and the selected municipalities, as well as their public servants and the citizens they serve or represent. This is particularly important with regard to municipal governments that were, in 1998, elected in the first local elections since 1963, and lacked the physical means and training to fully exercise their responsibilities.

In 1999, USAID/Lebanon along with USAID's Office of Transition Initiatives (OTI) undertook a new series of activities aimed at reducing corruption. This program encompasses a four-component initiative to empower key Lebanese stakeholders -local government, media and civil society- in their anti-corruption efforts. The four components include: an anti-corruption media campaign; investigative journalism training; municipal government assistance; and a small grants mechanism.

Key Results: Success will be measured by a parliament that is both more responsive to its constituents, and a more effective partner in governing the country. The Parliament will pass better laws, pass them faster, and conduct responsible oversight of government budgets and operations. Also, the capabilities of public entities will be enhanced through rehabilitation of governmental agencies by modernizing, simplifying work procedures, defining and publicizing all rules for executing transactions, and ensuring complete transparency. Local government will be revived with modern information systems, elected council members with awareness of their powers and their responsibilities toward their communities, and skills and information resources to carry them out. The general population will better understand the nature and costs of corruption; selected journalists and media will be better able to investigate corrupt practices and disseminate information; and local NGOs and public/private partnerships will encourage constructive interaction that increases transparency and accountability between the government and citizens.

Performance and Prospects: The point of entry for this activity was the installation of basic modern information systems (word processing, electronic mail, and data bases) to simply put key agencies of the GOL back in business. In the process of meeting these needs, a number of other benefits have occurred. Outdated and cumbersome procedures have been streamlined; and staffs have been trained in the use and maintenance of information systems. Senior civil servants have traveled to the US for policy dialogue to learn about government reengineering, customer service, quality management, transparency of decision-making, and other contemporary public sector management values and concepts.

Currently, 81 municipalities are receiving training and the computer and systems hardware and software necessary to build and restructure the management, human resources, and budgeting capability of their local government. While other donors have supported restoration of Lebanon's devastated postwar government, many in the GOL consider the USAID-supported activity to be that which has set a standard of quick response, sensible problem-solving, educational value for key decision-makers, and systems that can be put to work in key governmental functions. In FY 2001, USAID will follow up on the successful OTI anti-corruption initiative with support to additional municipalities and greater focus on the Municipality of Beirut.

Possible Adjustments to Plans: Since 1997, the focus of this activity has shifted away from assisting Lebanon's "control" agencies-the General Accounting Office, the Civil Service Board, and the Central Inspections Board-which provide oversight of budgets and programs. These control agencies have now gained new autonomy, effectiveness and legitimacy and their work with the Parliament in responding to constituents' inquiries. The evolution of this oversight capacity will increase the parliament's effectiveness in formulating laws and policies. Increasingly, emphasis of this activity will shift toward working with the municipalities. It is uncertain whether the Ministry of Municipalities and Rural Affairs (MOMRA) will maintain its role with regard to municipalities; thus, most work with the Ministry has been suspended. The future of the Ministry, its role and USAID support will be taken up with the Government after the parliamentary elections in early 2000. The uncertainties surrounding MOMRA have had little impact on support to the municipalities.

Other Donor Programs: Democracy building in Lebanon is a field that has now attracted many donors. The World Bank and UNDP have been supporting administrative reform, but their managers and technicians often turn to the USAID program for technical advice in areas such as civil service performance evaluation, standardization of the government-wide budgeting system, and models of quick problem-solving. Part of the World Bank's $20 million loan for administrative reform will fund a study to improve the current municipal financial system. The NGO Forum (an informal association of local NGOs), jointly funded by the European Union (EU) and Canada, was established in 1999. With USAID funding, the NGO Forum established a Parliamentary Center called the "Forum for Parliamentary Dialogue" with the objective of enhancing local NGO participation in the legislation decision process. The UNDP has recently signed a Memorandum of Understanding with the Parliament to deal with regional legal issues and to provide it with technical assistance. The estimated cost is $300,000. The EU will grant the Ministry of Administrative Reform $40 million for activities to be announced later.

Principal Contractors, Grantees or Agencies: Most work to date has been performed under a cooperative agreement with the Center for Legislative Development at the State University of New York/Albany (CLD/SUNY). In the next phase, CLD/SUNY will continue to play a key role, building on the excellent track record and relationships that have been established, though other organizations may be involved in technical aspects of local government. There is also close coordination with the NGOs involved in the rural community development clusters, under SO1. The counterparts in this program are the Minister of State for Administrative Reform, the Ministry of Finance, the Speaker's Office in the Parliament, and MOMRA. The anti-corruption effort is working with Information International, Saatchi and Saatchi, International Center for Journalists, Lebanese American University, and Lebanese University.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
MOMRA providing technical assistance/information to municipalities (No. of beneficiary municipalities)	0	30	50	100	150
Improved operation of key central Agencies to support local government (No. of agencies disseminating info. related to govt.)	0	0	1	2	4
Pilot municipalities are able to interact with central agencies and provide services effectively and fairly (No. of municipalities using the Automated Budget System)	0	0	1	50	100

Parliament is informed on policy options served by qualified staff and able to oversee government budget (No. of studies & policy analysis provided to Parliament members & Committees)	0	0	0	2	5

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Lebanon
TITLE and NUMBER: Improved Environmental Practices, 268-005
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,400,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The purpose of this special objective is to help the Lebanese better understand their environmental problems, point the way to policy reforms, and through demonstration activities, illustrate selected environmental solutions at national and local levels. Thousands of families in rural areas will benefit from more sustainable land use, clean water and reduced pollution by developing their ability to manage environmental resources.

Since 1995, USAID has funded the American University of Beirut (AUB) to equip and organize the Core Environmental Analytical Laboratory (CEL), and to establish a multi-faculty research, teaching and outreach program, involving the departments of public health, engineering and agriculture. The CEL gives the university new capacity to conduct testing of water, soil and hazardous substance, and monitoring of air pollution, and to provide policy and technical leadership on some of Lebanon's most pressing problems. The environment program also includes the establishment of the Water Resources Center that studies the country's surface and subsurface water resources (quantity and quality), which will provide needed data and analysis to the country's decision-makers. Under its economic agricultural sustainability pilot activity, AUB is investigating and analyzing the current prevailing farming systems in the Yammouneh region. This effort will determine and propose an optimum cropping pattern that will include new crops that are economically feasible, marketable and environmentally sound. If successful, the pilot may be replicated in other regions.

Beginning in 1997, USAID included environmental activities under the rural community development program, focusing on integrated water resources management activities (mainly solid/liquid waste disposal and treatment pilot projects). These have benefits at both the national and community level, by demonstrating low-cost methodologies for waste disposal and treatment, as well as productive agriculture that is environmentally sustainable. Through sustained community action, and subsequent dissemination of the results and methods, local solutions may be replicated on a national scale.

In 1998, USAID started a new humanitarian demining initiative. The activity builds on the Department of Defense physical demining support provided to the Lebanese Armed Forces, by focusing on awareness and prevention of landmine injuries, as well as landmine victims' assistance, through a consortium of NGOs and community based organizations.

Key Results: Under this Special Objective, USAID intends to establish the basis for environmental concern and awareness among rural communities. It seeks to educate the communities about environmental problems and to improve their capabilities to manage environmental conditions in a more efficient manner. It also attempts to demonstrate innovative solutions that can be supported and replicated by the GOL and other donors, and integrated into their plans. By focusing on initiating waste management projects in rural areas, USAID is demonstrating to rural villages and to other public and private entities the most effective and least expensive methodologies to solve environmental problems. AUB's environmental program is not limited to delivering technical services. AUB intends to disseminate information on environmental conditions and provide analysis of results and expert advice on solutions to environmental problems to the private and public sectors. Through its landmines accident prevention program, USAID focuses on providing understanding and awareness, at both national and community levels, related to the location of minefields, and to the social and economic problems incurred from mine injuries. It indirectly supports the military efforts to remove landmines through cooperation, advice and exchange of data and information. The ultimate goal is the clearing of minefields and the reopening of currently unusable land for development and agricultural production.

Performance and Prospects: Implementation of AUB activities is being delayed in an effort to refocus the program. Efforts are being exerted to strengthen the educational and advisory role of AUB. The purpose of the activity is to extend

beyond the inner academic circles of the university through dissemination of data and research results, in an attempt to influence private and public decision making that affect the country as a whole. Currently, the program lacks analytical substance and community outreach. During the coming year, USAID/Lebanon will closely track AUB's progress in producing these latter results.

At the community level, environmental activities are varied. These include building or restoring retaining walls, reforestation, upgrading potable and irrigation water systems, improving road drainage to reduce erosion, tackling community solid and liquid waste disposal problems with low-cost technologies, and in some areas, introducing new crops that serve both income and environmental objectives. The program has begun to effectively demonstrate a number of low-cost solutions to both solid and liquid waste problems, and is enlisting other donors in the effort. The Italian aid program, for instance, is involved in the construction of wastewater network and treatment plants in eleven rural areas. The USAID program has, since 1998, initiated sixteen waste management projects. Five have been completed and started operation, and eleven are in preparation or underway. One solid waste management activity is considered by experts as truly innovative and is drawing numerous requests for replication in other communities. The NGO's are becoming increasingly skilled, and communities and local governments are seeking eagerly to replicate the activities. The concept of initiating appropriate low-cost and low-technology solid and liquid waste treatment models for solving environmental problems in rural areas has become very popular as an alternative to the government's large, expensive, and largely unfunded plans. In FY 2001, major incremental funding will be obligated to these activities.

The humanitarian demining program is unique in that it has succeeded in setting the basis for cooperation and coordination over landmine issues, between the Lebanese Armed Forces special units and the Humanitarian Demining Office representing local NGOs and community based organizations. The information system on landmine victims and locations of minefields is developing successfully and now covers 55% of the country. This database is considered to be the sole information source on the landmine issue in Lebanon. As a result of USAID direct involvement with landmine victims and their families, the urgent need for assisting those victims has emerged. The victims assistance program is presently being initiated and is expected to be launched in early 2000, to assist victims in treatment, rehabilitation, and economic reintegration. The humanitarian demining program has been successful in promoting the problem of landmines in Lebanon at both community and national levels, so that existing minefields are identified and eliminated, and communities can prevent accidents and deaths. Signs of strong commitment to deal with the issue and eagerness to join efforts are found among all concerned parties, which has enabled the activity to exceed expectations after only one year of operation. In FY 2001, additional funding will be provided for a pilot victims assistance center.

Possible Adjustments to Plans: None.

Other Donor Programs: The World Bank and other donors have assessed environmental problems, and proposed programs for coastal resources management, solid waste management, waste water treatment, and national reserves. The World Bank has provided a $55 million loan for a Solid Waste Management Project to construct landfills in seven different locations. This project was put on hold after the new government was formed in the fall of 1998. The Italian government is involved in small to medium wastewater management projects, and the UNDP is concentrating on providing support to local organizations to deal with solid waste problems. The U.S. Department of Defense is supporting physical removal of mines with training and equipment for the LAF engineering regiment.

Principal Contractors, Grantees or Agencies: USAID supports AUB, Mercy Corps, Catholic Near East Welfare, YMCA, Cooperative Housing Foundation, and Creative Associates. Activities are implemented through close coordination with the Ministries of Environment, Water, Agriculture and Interior as well as local municipalities that are cooperating in these efforts. The World Rehabilitation Fund is carrying out education, organization, information, and victims' assistance work on demining with the LAF, Ministry of Health, Balamand University, and a consortium of local NGOs and Community Based Organizations.

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Non-AUB individuals/or groups are applying AUB technical assistance in their decisions - % lab capacity used for environmental analyses	0	5%	20%	30%	65%
Number of new clients requesting environmental analyses	0	24	48	84	110
Number of villages known to change or initiate activities to improve the condition of water resources	0	42	90	133	173

Population with improved understanding of landmines prevention practices, and landmines locations. (Number of individuals accessing landmines related information) (in 000s).	0	258	758	1,058	1,758

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: Lebanon			
Title and Number: Reconstruction and Expanded Economic Opportunity, 268-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	19,725 ESF	15,791 ESF	3,934 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	10,634 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	30,359 ESF	15,791 ESF	14,568 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	12,700 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	12,700 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,000 ESF	0 ESF	48,059 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Lebanon			
Title and Number: Increased Effectiveness of Democratic Institutions, 268-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	941 ESF	941 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	1,105 ESF	286 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,046 ESF	1,227 ESF	819 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	900 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	900 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,000 ESF	0 ESF	4,946 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Lebanon			
Title and Number: Improved Environmental Practices, 268-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,676 ESF	135 ESF	2,541 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	500 DA	0 DA	
	0 CSD	0 CSD	
	1,000 ESF	2,407 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	500 DA	0 DA	500 DA
	0 CSD	0 CSD	0 CSD
	3,676 ESF	2,542 ESF	1,134 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	1,400 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	1,400 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	500 DA
	0 CSD	0 CSD	0 CSD
	5,000 ESF	0 ESF	10,076 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Lebanon

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	500	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	300	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	12,000	12,050	15,000	12,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**12,300**	**12,550**	**15,000**	**12,000**
Operating Expenses	685	737	768	800
Trust Funds	0	0	0	0
Total Operating Costs	**685**	**737**	**768**	**800**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	1	1	1	1
Other U.S. Citizen	0	0	0	0
FSN/TCN	4	4	4	4

Subtotal OE Funded	**5**	**5**	**5**	**5**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**5**	**5**	**5**	**5**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
268-001 Reconstruction & Expanded Economic Opportunity							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	5,000	0	0	0	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0
268-002 Increased Effectiveness of Democratic Institutions							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	2,000	0	0	2,000
- P.L. 480/II	0	0	0	0	0	0	0
268-005 Improved Environmental Practices							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0

- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	5,000	0	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	5,000	0	5,000	2,000	0	0	12,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, James Stephenson

The United States Agency for International Development

MONGOLIA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

United States assistance to Mongolia supports U.S. interests by fostering the development of a free-market economy and a stable, democratic government. As a small buffer state between two of the world's largest nations, Russia and China, it is attempting to reform both its economic and political system at the same time. Mongolia has been receptive to external advice and ideas and it has been willing to undertake the difficult steps necessary to ensure its rapid transformation to a market-oriented democratic society.

Mongolia's reform government, under the Democratic Union Coalition, has made important economic progress, despite serious internal political problems. Sound macro-economic policies, supported by the donor community, have allowed Mongolia to weather the worst of the Asian financial crisis, despite severe drops in the world prices of Mongolia's key exports: copper, cashmere and gold. Mongolia's total external debt at the end of 1998 was $715 million, which equaled approximately 75% of gross national product (GNP). Economic growth progressed at approximately 3.5%, continuing the positive growth trend begun in 1995. The 1999 inflation rate was 10%, marking the second year in a row with moderate price increases, compared to hyper-inflationary rates earlier in the decade. Most impressive, and a direct result of the sound reform program of the Democratic Union Coalition, has been the growth of the private sector. The private sector share of gross domestic product (GDP) has grown from 50.9% in 1995 to 68.5% in 1998, and is certain to exceed 70% in 1999. Private sector value-added grew by 12.7% in 1997 and 15.0% in 1998, while the inefficient public sector declined significantly. The nature of the private sector is also changing. New firms are emerging. For example, in 1998, textile and garment exports were larger than mineral exports for the first time in Mongolian history. Due to the relative stability of Mongolia, some American firms have established operations here, using Mongolia as a base for operations in Siberia. This modest trend is expected to continue as firms begin to realize the strategic location of Mongolia, vis-a-vis its powerful neighbors.

Poverty is still an important issue. However, there is general agreement that poverty rates appear to have stabilized, with about one-third of the population being defined as poor in statistical terms. Poverty has declined in Ulaanbaatar and in some rural areas as well. Furthermore, official statistics do not capture the impact of the vibrant informal private sector on poverty. This sector is emerging as a major engine of growth and employment and may account for up to a third of GDP. Other key social indicators, including maternal and infant mortality, school enrollment rates and literacy rates have improved over the last four years.

Following privatization of housing at the end of 1996, more than 80% of apartments in Ulaanbaatar are now privately owned, and booming housing and housing service markets have emerged. In 1999 two large state-owned banks were closed and a third, which plays a vital role in the rural economy of Mongolia, is in the process of being restructured with USAID assistance. Significant progress was also made in rationalizing the power sector, with important legislation presented to the Parliament at the end of 1999. The Government of Mongolia (GOM) has, for the first time, prepared two large state-owned enterprises for sale to foreign investors by international tender. The decision to proceed with the sale awaits parliamentary approval. In addition, significant steps were taken in 1999 to improve the efficiency of public

expenditures, including pension reform and reforms in the education and health sectors. The International Monetary Fund (IMF) has strongly endorsed the government's bold and successful economic reforms.

The Development Challenge

Specific obstacles to growth include: (1) undeveloped energy supplies, transportation and communications systems which contribute to fragmented domestic and international markets; (2) ineffective public institutions, which operate in a top-down, dictatorial manner within a closed and protective environment; (3) inefficient state-run institutions, which drain public revenues and limit the productivity of resources; (4) inadequately developed judicial and enforcement services unable to insure the rule of law; and (5) inexperienced civil society organizations which lack the ability to foster economic growth and provide feedback to national and local levels of government. Without addressing these issues, long-term growth and democratic government cannot be sustained.

Despite these problems, development activities in Mongolia are able to build upon a number of strengths. These include: (1) a broad commitment to the development of democracy and a market economy among members of Mongolian society; (2) a literate human resource base; (3) a high degree of internal social cohesion; and (4) a government committed to reform and development. The assistance provided by the U.S. is especially valued because America is seen as a vigorous advocate of democracy and market-oriented growth, with no vested interests in Mongolia.

USAID's strategy for Mongolia is to help establish a market-oriented and democratic society by consolidating Mongolia's democratic transition and accelerating and broadening environmentally sound private sector growth, with a particular focus on bringing change to rural areas. USAID's strategy of private sector led economic growth is a vital part of the embassy's Mission Performance Plan. The GOM's reform program has focused on sound macroeconomic management of the economy and the reform of key sectoral issues such as banking, the power sector, and pension reform. In addition, there is growing bipartisan concern about the need to establish an independent and ethical judiciary and the need to extend the reform program to rural Mongolia. The Mission's approach has been to define areas where U.S. assistance can foster the reform program and to work on issues that other donors are not in a position to address. This has resulted in clear policy decisions by the government and is now providing other donors the basis to provide assistance.

Mongolia will hold parliamentary elections in June 2000. USAID expects that any new government will continue with a reform agenda, particularly since major donors such as the IMF and World Bank are now taking a more proactive role in insisting on reform. However, USAID and the Embassy will undertake a very careful analysis of the reform potential of the new government and will make recommendations concerning future levels of funding and programs based on the new government's platform for fostering the strategic objectives necessary for Mongolia to develop a democratic and market based society.

Other Donors

Overall development assistance to Mongolia averaged $191 million per year (disbursements) between 1991 and 1998. Slightly over half of the assistance has been in the form of grants with the remainder in loans. Based on figures from the June 1999 Consultative Group Meeting, the U.S. currently ranks third, behind Japan and Germany, in the amount of its grant assistance to the Government of Mongolia. The IMF, the Asian Development Bank (ADB), the World Bank, and the Government of Japan also provide substantial development-related loans to Mongolia. At the June 1999 meeting, USAID supported GOM and World Bank proposals for the development of a database to track development assistance as well as plans for the creation of a strategic framework to assist in the coordination of donor assistance. The GOM has begun to implement these systems.

The United States Agency for International Development

Mongolia

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

In 1999 USAID began working under a new five-year strategy (1999-2003) which will assist Mongolia to: (1) consolidate its transition to democracy, and (2) accelerate and broaden sustainable private sector growth.

Under its economic growth program USAID is funding programs to: (1) transfer productive assets to the private sector; (2) increase the efficiency of financial markets; (3) improve the business environment; and (4) improve management of natural resources.

USAID will conclude its current support for macroeconomic reform, pensions, budget analysis, energy sector commercialization and financial sector restructuring in FY 2000. Based on successful passage of new power sector legislation, USAID expects to provide long-term support to develop an independent regulatory agency and to assist the GOM with the restructuring of the sector. Further assistance in other sectors will depend upon a careful analysis of additional prospects for reform and the role that other donors intend to play in these key sectors. (Several donors may be planning activities in reform areas in which USAID provided initial assistance.) USAID also anticipates providing further assistance to the banking sector, tax policy and administration and debt management. USAID's privatization program, begun in FY 1998, will continue through FY 2001.

In FY 2000, USAID will provide the resources for the Mongolians to implement a competitiveness analysis of their economy. The result of the analysis will be a strategy and action plan for improving the competitiveness of Mongolian products. In FY 2001, USAID intends to provide resources to assist the Mongolians to implement their plans. Activities could include a broad range of efforts to: improve the legal/regulatory framework; strengthen and improve public sector/private sector coordination; improve private sector capacity to produce and market for export; support for information technology; and strengthen the capacity of institutions of higher education.

USAID's Gobi Regional Growth Initiative (GREGI) and the Farmer to Farmer (FtF) program will continue to be the primary vehicles for USAID's rural area focus. (GREGI is the new name for the previously named Rural Civil Society Program.) With technical assistance and training aimed at a wide range of civil society organizations (e.g., women's groups, business associations, cooperatives) and selected microenterprises (primarily associated with animal products and cashmere production), GREGI will also foster cooperation between local governments and these civil society organizations to create a joint agenda for policy reform that will strengthen rural economies and civil society. FtF will use experienced U.S. volunteers to assist local organizations to develop private agriculture in Mongolia, with a focus on animal health, improved animal breeding and improved efficiency of the crop sector. USAID will also continue to work with FtF and others to demonstrate how development and natural resource management can be effectively joined at the local level.

USAID will broaden and deepen democratic reform. Resources will be used to: (1) establish the foundation for an effective rural civil society and (2) improve the effectiveness of the parliament and the judiciary. USAID will begin a rule of law program in FY 2000 to support bipartisan efforts to reform and modernize the judiciary. This program will be active until the end of the strategy period. USAID will also continue support for the International Republican Institute's program for Parliamentary and political party support. With civil society building being undertaken through GREGI and FtF, USAID does not anticipate other major programs in the democracy area.

USAID will continue its U.S. degree program to support objectives in both the economic growth and democracy. USAID plans to provide modest support for Mongolia's participation in Eisenhower Foundation programs beginning in FY 2000.

This support will last through the strategy period.

USAID will ensure that Mongolia's accelerated growth is environmentally sustainable by addressing issues critical to pasture and crop land degradation and better resource management, particularly of Hovsgol National Park. Urban environmental issues will also be addressed through the United States-Asia Environmental Partnership (US-AEP).

In FY 2000, $750,000 was earmarked for child survival activities. USAID hopes to develop activities that fit within the existing strategic approach, possibly working with orphans and other disadvantaged children in the areas of vocational training and training for children with special needs. If the Mission is not able to establish such a program, it will have to develop and seek approval for an SpO to address the earmark. Possibilities include: funding the programs of existing international NGOs in child survival areas and providing assistance to United Nations Children's Fund (UNICEF) in its children's programs. USAID assumes this earmark will continue in FY 2001.

ACTIVITY DATA SHEET

PROGRAM: Mongolia
TITLE: Accelerate and Broaden Environmentally Sound Private Sector Growth, 438-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $6,000,000 ESF; $4,640,000 FSA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $10,000,000 ESF
INITIAL OBLIGATION: FY 1994 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The Economic Policy Support Project (EPSP) is the principal vehicle by which USAID is implementing its economic growth program under its new five-year strategy (1999-2003). EPSP seeks to increase the standard of living of the people of Mongolia and to improve economic and social indices by assisting the GOM's transition from a centrally planned economy to a true private sector-led, market oriented economy. The project provides technical assistance, training and other inputs to establish environmentally sound, growth-oriented market-economy policies and practices, and to develop and strengthen select public and private-sector institutions that will help develop and sustain a market-oriented economy.

All Mongolians are benefiting from lower inflation and a more vibrant urban economy, for which USAID can fairly take partial credit. All Mongolians promise to benefit from the achievement of future activity goals, including improved pensions, the development of a commercial power sector, and a better working financial sector. Activities in rural Mongolia promise to establish linkages between economic growth, improved environmental quality, and increased democratic participation. In addition, the following other activities are being supported in FY 2000 and FY 2001:

- USAID is providing assistance to the Mongolian State Property Committee to expedite the process of privatization, help the GOM maximize the market value of the privatized firms and educate the public about the privatization process.
- Promising Mongolians are benefiting from long-term economics and business training in the United States. USAID will broaden this training to cover both our democracy and economic growth strategic objectives and will support the Eisenhower Fellowship Program in Mongolia.
- USAID is working to build a consensus among private and public stakeholders in Mongolia to improve Mongolia's competitiveness. The goal is to raise Mongolian living standards by helping private enterprises to improve productivity, quality, service and innovation and to better define the government's role in this effort.
- USAID is funding the Global Technology Network (GTN-Mongolia) to assist Mongolian firms improve production efficiencies by adopting U.S. technology or to establish business relationships with U.S. companies. The resources of the International Executive Service Corps (IESC) complement the program.
- USAID is funding sustainable rural development activities through Mongolia Farmer to Farmer (FtF), which is focusing on improving animal health and breeding stock and improving the productivity of the crop sector. The Gobi Regional Growth Initiative fosters microenterprise growth and helps civil society organizations in the Gobi region to become effective advocates and implementers of economic reform. The Lake Hovsgol program seeks to develop that region of Mongolia into an effective protected area that will lend itself to local economic development.

The hallmark of USAID assistance under EPSP has been its speed, flexibility and high quality. EPSP fully deserves credit for helping the GOM to go further, faster and achieve higher quality reform outcomes than would have been possible without the project.

Key Results: USAID's two strategic objectives are designed to be mutually supportive: both seek to help establish a market-oriented democratic society in Mongolia. USAID considers four intermediate results to be necessary to achieve the goal of accelerating and broadening environmentally sound private sector growth: (1) transferring public productive assets to private ownership; (2) increasing the efficiency of financial markets; (3) improving the business environment; and (4) improving the management of the natural resource base. It is expected that, as a result of these efforts, by 2003 three-quarters of the Mongolian economy will be in private hands and the private sector will be universally recognized as the paramount engine of economic growth, the economy will be growing at a sustained rate of 5% annually with positive growth in much of rural Mongolia, and the national savings and investment rate will have increased substantially. The increased economic growth that results from USAID's activities is expected to broaden and deepen popular support for a market oriented and democratic society in Mongolia.

Performance and Prospects: USAID has played a key role in the macroeconomic reform agenda of the Democratic Union Coalition. In the early days of the Coalition, USAID economic policy workshops led to the development of a comprehensive economic reform agenda and later assisted the GOM to implement the agenda. Key achievements include rationalizing electricity, heat, coal and petroleum prices resulting in a more viable power sector. USAID played a key role in training a core cadre of economic analysts capable of implementing the GOM's economic growth objectives and in promoting passage of legislation necessary for financial sector restructuring, pension reform, and energy sector restructuring. USAID assistance was vital in the substantial progress of the sale of state-owned enterprises and helped the GOM to revise the auctioning mechanism and substantially increase revenues. With USAID assistance, the GOM reached a new Enhanced Structural Adjustment Facility agreement with the IMF in 1999, gaining a strong endorsement from the IMF for their successful economic reforms. There is a broad consensus across virtually all sectors of Mongolian society on the continuing need for market-oriented economic reform. However, the pace and exact nature of the reform process is likely to be influenced by the outcome of the June 2000 parliamentary elections.

Possible Adjustments to Plans: Depending on the outcome of the June 2000 parliamentary elections, USAID may have to adapt significant portions of its economic growth program to conform to the policies of a new government.

Other Donors Programs: The International Monetary Fund, the World Bank, the Asian Development Bank, Gesellschaft Fur Technische Zusammenarbeit (GTZ), the United Nations Development Programme (UNDP) and the Japan International Cooperation Agency provide technical assistance in the fields of economic policy and public administration. The Netherlands and UNDP have active environmental programs.

Principal Contractors, Grantees or Agencies: USAID implements this activity through the following partners: Development Alternatives Incorporated, Academy for Educational Development, Barents Group, Mercy Corps International, USAID Global Technology Network, U.S. Department of Interior, Philadelphia Academy of Sciences, J.E. Austin Associates and Agriculture Cooperation Development International/Volunteers in Overseas Cooperative Assistance (ACDI/VOCA).

Selected Performance Measures: (1)	**Baseline/Actual (1999)**	**Target (2000)**	**Target (2001)**
Private sector growth rate (in constant prices)	15%	20%	25%
Number of businesses with permits or licenses in selected rural aimags* (total/women) (2)	462/75	550/95	690/125
Number of "most valued companies"** privatized by international tender	0	2	2
Steps taken toward strengthening the banking sector (3)	7% (1994)	77%	84%
Steps taken toward restructuring and commercializing the energy sector (4)	1,2,3	4,5	6,7

(1) These measures are the product of new USAID/Mongolia Performance Monitoring Plan that was developed and approved in 1999.
(2) Includes South Gobi and Middle Gobi aimags.
(3) Steps include: 1=rehabilitation/liquidation(R/L) of the Agricultural Bank, 2=R/L of the Investment and Technical Innovation Bank, 3=R/L of the Reconstruction Bank.

(4) Steps include: 1=agenda developed, 2=consensus of major stakeholders achieved, 3=Energy Law drafted, 4=Energy Law passed; 5=Legal establishment of a regulatory authority, 6=Unbundling of generation, transmission, and distribution functions, and 7=regulatory authority issues licenses.

* provinces
** Firms with high asset value and which have the greatest potential for revenues at sale and/or over the longer term following the sale

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Mongolia
TITLE: Consolidate Mongolia's Democratic Transition, 438-0O2
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,360,000 FSA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,000,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID has supported Mongolia's democratic transition from the very beginning of its democratic movement. The first phase of USAID support was designed to open the doors to the west and to allow Mongolians to study other democratic systems. The second phase of USAID assistance sought to improve the capabilities of Mongolia's new democratic institutions and to foster the development of robust and sustainable citizen-initiated non-governmental organizations in Mongolia. A third phase was entered in FY 1999 with the approval of the USAID's current strategic plan for Mongolia. Under this plan, USAID committed itself to consolidating Mongolia's transition to democracy by improving the effectiveness of parliament and the judiciary and by establishing the foundations for an effective rural civil society. These rural civil society organizations are vital not only as mechanisms for popular advocacy and feedback, but also for promoting economic growth in rural Mongolia.

Key Results: USAID's two strategic objectives are designed to be mutually supportive: both seek to help establish a market-oriented democratic society in Mongolia. USAID considers two intermediate results to be necessary to consolidate Mongolia's transition to democracy: (1) establishing the foundations for effective rural civil society and (2) improving the effectiveness of parliament and the judiciary. It is anticipated that by 2003 the foundations for rural civil society will be firmly established. This achievement will fulfill the pressing need for democratic advocacy and feedback mechanisms and also help stimulate economic growth. In addition, it is anticipated that USAID's efforts to improve the performance of parliament and the judiciary will strengthen both democratic processes and the business environment in Mongolia. Coupled with the work of other donors, USAID's interventions will create the structural changes necessary to support a market oriented and democratic society.

Performance and Prospects: Mongolia's overall accomplishments in embracing democracy have been profound: 1) a new constitution has been put into effect which guarantees basic democratic rights and protection; 2) a representative parliament has been created; 3) five free and fair national-level elections have been held; 4) a new, independent, judicial system has been established; 5) a vibrant community of citizen-initiated non-governmental organizations has emerged; and 6) the national parliament has passed legislation protecting and promoting the development of non-governmental organizations. USAID assistance has played a role in all of these accomplishments and has been a major contributor to the last two accomplishments above.

Through support to the International Republican Institute (IRI), USAID is providing training and technical assistance to members of parliament and major political parties. Its efforts are focused on establishing democratic representative processes throughout Mongolia, particularly in the countryside. These activities are expected to continue in FY 2001. Funds are also being used to improve the organizational viability of political parties, especially at the provincial and local levels. This assistance is playing a vital role in the preparations of the three major parties for the upcoming June 2000 parliamentary elections. USAID is also actively engaged in efforts to improve the effectiveness of GOM ministries and the Great Hural (national parliament).

USAID is funding the rural institution development component of the Farmer to Farmer program and the Gobi Regional Growth Initiative (GREGI). GREGI is the new name for the previously named Rural Civil Society Program. In FY 2001, USAID will work to foster the development of institutions that will support rural enterprise development, such as business associations, women's groups, local chambers of commerce, herder's associations and cooperatives. The goal is to have

these institutions provide training and support to develop rural enterprises and agriculture, lobby local and national governments to support business growth, and provide policy alternatives to rural business issues.

Finally, building upon the on-going judicial strategy development exercise that it has undertaken in cooperation with the GOM, USAID expects to begin implementation of a comprehensive program of judicial reform and enforcement in FY 2000. This program will accelerate in FY 2001 and continue through the end of the strategy period. USAID's activities will probably focus on improving the policy environment, court administration, information systems and the development of a bar association. Judicial training is an area that is over subscribed and USAID does not intend to focus on training, but will coordinate its efforts with the training programs of other donors.

Possible Adjustments to Plans: None.

Other Donor Programs: The Asian Development Bank (ADB) is engaged in an effort to improve the quality of legal professionals, the European Union is active in strengthening NGOs and Germany's GTZ is supporting the training of judges. EU, GTZ and UNDP have active programs in rural areas. UNDP may provide assistance to the parliament.

Principal Contractors, Grantees or Agencies: USAID implements this activity through the following partners: The International Republican Institute, the National Center for State Courts, Mercy Corps International, and Agriculture Cooperation Development International/Volunteers in Overseas Cooperative Assistance.

Selected Performance Measures: (1)	**Baseline/Actual (1999)**	**Target (2000)**	**Target (2001)**
Rural civil society organizations perceptions of meaningful engagement with parliament and government (2)	1	1.5	2.5
National elections (parliamentary and presidential) are fair and free, and provide meaningful choice to voters (3)	NA	Yes	NA
Steps taken toward the establishment of an independent judiciary (4)	1	2	3,4

(1) These measures are the product of new USAID/Mongolia Performance Monitoring Plan that was developed and approved in 1999.
(2) The measurement is a scale: 1=no responsiveness, 2=very limited responsiveness, 3=meetings with some two-way discussion, 4= substantive two-way interchange.
(3) Unit of measurement is yes/no.
(4) Steps Include: 1=conference on the independence of the judiciary, 2=strategic plan developed, 3=allocation of responsibilities, 4=action plans developed.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Mongolia
TITLE: Mongolia Energy System Reformed, 438-003
STATUS: Completed
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1992 **COMPLETION DATE:** FY 1999

Summary: With the breakup of the Soviet Union in 1990, the Government of Mongolia (GOM) assumed increased responsibility for construction, operation and maintenance of its infrastructure. As early as 1991 it was apparent that outside assistance would need to be provided if the electric power and urban steam heating systems were to continue to function, particularly during the extended winter period. Much of Mongolia's power generation equipment was on the verge of being unserviceable and the country lacked the foreign exchange to purchase critically needed spare parts in international markets.

USAID authorized the Mongolia Energy Sector Project (MESP) in 1992. Its purpose was to increase the reliability of Mongolian electricity and district heating systems in Ulaanbaatar and selected provincial centers through the provision of spare parts, commodities and limited technical assistance. MESP has been USAID's most visible project in Mongolia. It provided critically needed equipment, spare parts, technical assistance and training to shore up energy production at Power

Plants #2, #3 and #4 in Ulaanbaatar and the Sharyn Gol and Baga Nuur coal mines during the critical days of the early transition. Later, project funds were used to purchase diesel generator sets to produce electricity in five rural provinces. These diesel generator sets were considerably more efficient than the Soviet and Czech sets they replaced.

The emergency situation in the energy sector is now over. Power plants and coalmines are now running more efficiently and price increases have resulted in a positive cash flow for the Energy Authority. In addition, the cost of generating electrical energy in selected rural centers has been reduced and the reliability of electrical power supplies has been increased.

MESP activities essentially ended in FY 1998. Residual activities (including an inter-agency agreement with the U.S. National Renewable Energy Laboratory to accelerate the use of wind energy technology) were transferred to the Mission's Economic Growth activity when USAID/Mongolia's new strategy was approved in the fall of 1998. The vast majority of MESP funds expended in FY 1999 ($2.967 mil. out of $3.330 mil.) were disbursed in December 1998 as payment for rural generator sets that were purchased and installed in FY 1998. The remaining MESP funds disbursed in FY 1999 were delayed payments for expenditures made earlier in the life of the activity.

Key Results: The most significant achievement of the Mongolia Energy Sector Project is that it kept the Mongolian electricity, steam heat, and hot water system up and running without any major long-term interruptions. In addition, the project trained key Mongolians in power plant operations and management, thereby helping to protect the sustainability of USAID's energy sector investments.

This activity effectively ended in FY 1998 with residual energy activities being folded into the Mission's Economic Growth Strategic Objective. FY 1999 expenditures were for payments for expenses incurred in FY 1998.

Performance and Prospects: Not applicable. The activity has been completed.

Possible Adjustments to Plans: None.

Other Donors Programs: Other donors involved in the energy sector include the World Bank (upgrading production at the Baga Nuur and Sheve-Ovoo coal mines), the Asian Development Bank (assisting in the rehabilitation of Power Plant #3 and improving the financial management of the Mongolia Energy Authority), the Government of Japan (also upgrading production at the Baga Nuur and Sheve-Ovoo coal mines and assisting in the rehabilitation of Power Plant #4), the NORDIC Development Fund (Finland, Iceland, Denmark, Sweden and Norway) and Danish International Development Assistance (DANIDA), (engaged in limited rehabilitation work at Power Plant #3), and Germany's Gesellschaft Fur Technische Zusammenarbeit (assisting in upgrading the power plant at Darkhan).

Principal Contractors, Grantees or Agencies: USAID implemented the program through the GOM Ministry of Infrastructure Development, the Mongolian Renewable Energy Corporation, and the Institute of Meteorology and Hydrology. United Engineers and Constructors, Morrison Knudsen, and Wagner Asia Equipment were the principal contractors. The U.S. National Renewable Energy Laboratory also helped implement the activity through a participating agency service agreement.

Selected Performance Measures: (1)	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Disruption averted to the energy production system	Y	NA	NA
Sustainable improvements made in the energy sector	Y	NA	NA
Considerable savings in supplying rural electricity	Y	NA	NA

(1) These indicators date from before the approval of current USAID/Mongolia Performance Monitoring Plan in July 1999. Because the energy activity had already ended, new energy indicators were not included in the new performance monitoring plan.
(2) Y=Yes; N=No.

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Mongolia			
Title and Number: Accelerate and Broaden Environmentally Sound Private Sector Growth, 438-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	5,569 DA	2,486 DA	3,083 DA
	0 CSD	0 CSD	0 CSD
	3,599 ESF	720 ESF	2,879 ESF
	0 SEED	0 SEED	0 SEED
	2,000 FSA	1,401 FSA	599 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	3,016 DA	
	0 CSD	0 CSD	
	500 ESF	2,692 ESF	
	0 SEED	0 SEED	
	9,099 FSA	5,182 FSA	
	0 DFA	0 DFA	
Through Sept	5,569 DA	5,502 DA	67 DA
	0 CSD	0 CSD	0 CSD
	4,099 ESF	3,412 ESF	687 ESF
	0 SEED	0 SEED	0 SEED
	11,099 FSA	6,583 FSA	4,516 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	6,000 ESF		
	0 SEED		
	4,640 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	6,000 ESF		
	0 SEED		
	4,640 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	5,569 DA
	0 CSD	0 CSD	0 CSD
	10,000 ESF	0 ESF	20,099 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	15,739 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Mongolia			
Title and Number: Consolidate Mongolia's Democratic Transition, 438-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	1,442 DA	192 DA	1,250 DA
	0 CSD	0 CSD	0 CSD
	2,950 ESF	735 ESF	2,215 ESF
	0 SEED	0 SEED	0 SEED
	1,001 FSA	309 FSA	692 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	1,317 ESF	
	0 SEED	0 SEED	
	900 FSA	794 FSA	
	0 DFA	0 DFA	
Through Sept	1,442 DA	192 DA	1,250 DA
	0 CSD	0 CSD	0 CSD
	2,950 ESF	2,052 ESF	898 ESF
	0 SEED	0 SEED	0 SEED
	1,901 FSA	1,103 FSA	798 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	1,360 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	1,360 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	1,442 DA
	0 CSD	0 CSD	0 CSD
	2,000 ESF	0 ESF	4,950 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	3,261 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Mongolia			
Title and Number: Mongolia Energy System Reformed, 438-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	12,000 DA	12,000 DA	0 DA
	0 CSD	0 CSD	0 CSD
	36,108 ESF	32,767 ESF	3,341 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	200 ESF	3,330 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	12,000 DA	12,000 DA	0 DA
	0 CSD	0 CSD	0 CSD
	36,308 ESF	36,097 ESF	211 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	12,000 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	4,092 ESF	40,400 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Mongolia

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	4,000	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	10,000	6,000	0
SEED Act Funds	0	0	0	0
Economic Support Funds [1]	8,009	0	6,000	12,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**12,009**	**10,000**	**12,000**	**12,000**
Operating Expenses	350	304	317	400
Trust Funds	0	0	0	0
Total Operating Costs	**350**	**304**	**317**	**400**

[1] FY 1999 Economic Support fund excludes $500 thousand of no-year carryover reprogrammed from other countries

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	1	1	1	1
Other U.S. Citizen	0	1	0	0

FSN/TCN	2	2	2	2
Subtotal OE Funded	**3**	**4**	**3**	**3**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	2	3	3	3
Subtotal Program Funded	**2**	**3**	**3**	**3**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**5**	**7**	**6**	**6**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
438-001, Accelerate and Broaden Environmentally Sound Private Sector Growth							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	8,700	750	0	0	550	0	10,000
- P.L. 480/II	0	0	0	0	0	0	0
438-002, Consolidate Mongolia's Democratic Transition							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	2,000	0	0	2,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							

- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	8,700	750	0	2,000	550	0	12,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Edward Birgells

The United States Agency for International Development

MOROCCO

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

The most significant change in Morocco is the ascension of King Mohamed VI to the throne in July 1999. This event has eliminated a long-standing uncertainty related to King Hassan's succession, and the potential unrest that could have had a profound impact on the U.S. national interests in the region. Moreover, recent changes in key ministries and other actions have sent clear signals of King Mohammed's commitment to transparency, democracy, economic development, and the rule of law. The new government, which already had the trust of the population, received a renewed mandate from the King to advance its policies on human rights, health care, education and social development. This evolution reinforces Morocco's efforts to emerge as a more stable, democratic, and prosperous partner for the United States in this important, yet troubled region. However, the fragile nature of this experiment in democracy cannot be over emphasized. The need for strong and continued U.S. support for the renewed Government's efforts has never been greater. Thus, USAID's resources are targeted at promoting four out of six U.S. national interests listed by the Mission Performance Plan: open markets, broad-based economic growth, population and democracy, as well as five of USAID's seven FY 2001 Performance Goals: Achieve Broad-Based Economic Growth, Protect the Environment, Stabilize World Population and Protect Human Health, Build Human Capacity, and Build Sustainable Development (through community-based and democracy-building activities).

The Development Challenge

Morocco is a country of contrasts and dualistic development. Debilitating urban and rural poverty coexist alongside modern urban centers. Morocco's per capita income was estimated at $1,280 in 1998, classifying it as a lower-middle-income country. Yet, Morocco's social statistics are those of a much poorer, less-developed country:

- Five women a day die from pregnancy-related causes;
- About 19% of the 28 million population live below the poverty line;
- About 67% have a per capita income lower than the average;
- Economic growth has averaged only 2.5% during the past decade; while the urban labor force is growing at over 5% annually;
- Unemployment exceeds 20% (1999) and is 30% among new university graduates.
- Almost half the adult population is illiterate (48.3%), with 83% female illiteracy in rural areas.
- Outstanding debt ($19.6 billion in 1998) represents about 56% of the GDP, requiring about 25% of export earnings for debt servicing; and
- A population growing at 1.8% continues to increase pressure on the over burdened social and economic systems.

The level of these statistics is driven down by the extreme disparity between the urban and rural areas of Morocco for access to adequate water, sanitation, housing, education, economic growth opportunities, and social services. Given the fact that nearly half of Morocco's population lives in the under-served rural areas, an overarching development challenge is assuring equitable distribution of economic opportunities, access to basic social services, and participation into the decision-making process to all regions of the country. Morocco faces four key challenges in the coming decade: 1) jobs scarcity; 2) increasing water scarcity; 3) a growing population; and 4) unacceptably low access to basic education.

In cooperation with its development partners, Morocco has achieved significant progress in opening markets to agricultural exports, facilitating the expansion of small- and medium-size enterprises, and creating a policy and administrative environment increasingly conducive to increased private investment. Yet, progress has not been sufficient to put the country on a sustainable path of high growth necessary to meet an increased demand for jobs and social services. More importantly, Morocco's economy has yet to evolve away from its dependence on rainfall and agriculture. This past year's drought and subsequent weak 1.3% growth rate demonstrate this continued problem.

Clearly, water has a primal position in Morocco's future, long-term development, both in terms of availability and quality. Due to the economy's dependence on agricultural exports, Morocco uses 90% of its captured freshwater resources to produce only 67% of its irrigated agriculture. Further, poor quality water affects the health and social welfare of millions of Moroccans due to water-borne diseases that limit productivity, economic efficiency, and educational opportunities. Accordingly, the Government of Morocco (GOM) embarked on an ambitious program to increase the supply of water by building dams. However, this policy of water supply augmentation is reaching its limits, as increasing population and rising demand from the agricultural and industrial sectors put increasing pressure on available resources. In addition, industrial and urban pollution of water bodies, and rapid rates of soil erosion in certain parts of the country are further diminishing the availability of water resources, at an alarming rate. The World Bank estimates that, if trends continue, Morocco will become a water deficit country by the year 2020.

To respond to this threat, the Moroccan Government has developed a national strategy for environmental protection and sustainable development that emphasizes managing water demand better and preventing the further degradation of existing water resources. Working in close partnership with the Government, USAID's program is demonstrating impressive results. For example, the annual water savings in the irrigated perimeter of Tadla, where USAID has introduced laser leveling and other water conservation measures, is about 200 million cubic meters - enough water to supply the annual needs of a city the size of Fez. This success is serving as a model for Government and donor replication of USAID-tested technologies in other areas of Morocco.

Morocco now has 28 million people, of whom 35% are under 15 years of age. The coming of age of this population will not only lead to increased population pressure within the next ten years, but also create tremendous demands for employment and services in the short term. With USAID's assistance, Morocco has achieved outstanding results in reducing fertility and mortality of children under five and its system for providing reproductive health care now serves as a model for other countries. Nonetheless, two major problems remain which pose significant challenges for Morocco to sustain its successes and achieve self-sufficiency. Specifically, rural Morocco lags at least ten years behind the rest of the country in every health indicator, and important health care financing issues have not been resolved. While progressively reducing its financial support, USAID is helping the Ministry of Health to consolidate the gains achieved and to develop innovative solutions to outstanding problems.

USAID has had notable success with its policy reform efforts at the national and provincial levels of Governments. This success, in turn, has helped USAID's rural model schools--focused on girl's education--to become examples for other donors to emulate. In spite of these success, Morocco's statistics for school attendance and retention and literacy indicate that the country still is a long way from achieving the levels expected of a low middle income country. The great disparity between urban and rural areas, noted previously, produces this low result. Morocco's rural communities suffer from the lack of income and infrastructure to attract and keep teachers, especially women. Recognizing this problem, King Mohammed VI has pronounced his commitment to improving the situation of rural women and girls.

Other Donors

Donor assistance to Morocco totals about $1 billion per year. An estimated 70% of donor assistance--in the form of loans, loan guarantees, and commercial credit--finances infrastructure development. The largest multilateral donor programs in Morocco are those of the World Bank, the European Union and the African Development Bank. Regarding bilateral donors, U.S. grant assistance ranked fourth in 1997 (9 %), behind Japan (56%), Germany (15 %) and France

(13%). Although this ranking has likely slipped in 1998 and 1999, USAID continues to play a far more significant role than its program size would indicate. For example, USAID is perceived as the leading donor in microenterprise development, family planning and water resources management.

The United States Agency for International Development

Morocco

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

Under a new, six-year Country Strategic Plan (CSP) approved in FY 1999, USAID programming will continue to pursue the goals of both the U.S. Embassy and USAID agency-wide performance plans. USAID activities will, therefore, support the Government of Morocco's (GOM) efforts to stimulate economic growth by improving the environment for private-sector investment. Specifically, USAID's program will facilitate the adoption of administrative reforms within the Government; improvements in the administration of commercial courts; building the capacity of sectoral associations to deliver services to their members; field testing of innovative microfinance products; and the activation of new agencies to promote investment and to support small and medium enterprises. Primary beneficiaries will be disadvantaged Moroccans and small- and micro- entrepreneurs who will gain business and employment opportunities, low-cost housing, skills training, and access to financial resources otherwise unavailable.

Continuing and new activities will focus on improving water quality for household use, treating and reusing previously unused water discharges for agricultural purposes, and creating an inter-sectoral, public/private sector River Basin Agency dedicated to improving water availability. This agency will use a participatory and transparent process involving NGOs, water users associations, and local and regional governments. USAID support for improved water resources management in the agricultural, urban, and industrial sectors will reduce toxic emissions, water usage, and surface water pollution, while providing modern sewerage and potable water systems to more of Morocco's citizens.

USAID's assistance in the health sector will build on a current decentralization trend in Morocco. These activities will focus on improving the capacity of health managers at the local level to better leverage resources and manage programs using a participatory, multi-sectoral approach. Also, USAID's activities will strengthen the ability of the private sector to play a more important role in the delivery of basic maternal and child health services. At the national level, USAID will continue to work with the Ministry of Health to identify and institute sustainable health care financing systems.

The basic education activity will increase the participation of rural girls in primary schooling, preparing them to participate more fully in Morocco's democratic and economic development. USAID will continue to assist the Ministry of National Education in improving the responsiveness of its primary education system to the needs of rural girls through changes in the curricula and materials at the teacher training colleges. USAID will also assist in building school-community relationships at the regional and provincial level, and help provincial teams to implement their education reform programs. NGOs and the private sector will play important roles in assisting schools and communities to conceive and implement local school improvement projects.

Each Strategic or Special Objective contributes to the Mission's cross-cutting themes of gender and public-private partnerships. The focus of their activities at the regional level, whenever possible, will maximize synergies among sectors, improve local level participation in decision-making and, as a result, make measurable progress towards the achievement of USAID/Morocco strategic goal of an expanded resource base and capacity for sustainable development.

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Increased Opportunities for Domestic and Regional Trade and Investment, 608-005

STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,750,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The leadership of the Government of Morocco, headed by Prime Minister Youssoufi and King Mohammed VI, has outlined an ambitious program of social and economic reforms to help accelerate, and broaden, the process of economic development in Morocco. The priorities of the government include: administrative reform (with an emphasis on the administration of justice), small and medium enterprise (SME) development, anti-corruption, gender equality, and education. The government seeks to establish a policy and regulatory framework that will help to attract private investment and an institutional capacity to support private enterprises.

USAID will support the GOM in its efforts to stimulate broad-based economic growth by implementing a program of activities that will: leverage expertise to help bring about administrative reform; improve the administration of justice in the commercial sector; expand the capacity of sectoral associations to deliver services to their members; field test innovative, new microfinance products; and help structure new agencies to support SMEs and promote investment. Primary beneficiaries are disadvantaged Moroccans, entrepreneurs (particularly small, micro- and female) who will gain business and employment opportunities, low-cost housing, skills training and access to financial resources otherwise unavailable.

Key Results: Major anticipated results include fewer administrative and regulatory barriers to trade and investment, more efficient service delivery through both public and private sector institutions, increased access to finance for SMEs, and a model of modernized, transparent system of commercial justice. Other results deriving from past activities will include: a nationwide microfinance organization offering loans to 25,000 clients in CY 2000, and reduced transaction costs for entrepreneurs because of administrative reforms and diminished opportunities for corruption.

Performance and Prospects: The new Moroccan government is committed to accelerating and expanding the process of economic reform. USAID is optimistic that its twenty-item reform agenda supporting the government efforts will be 80% achieved by the end of the strategy, serving as a catalyst to promote an enabling market economy. In FY 2000 and FY 2001 funds will be used for four activities: New Enterprise Development; Microenterprise Financing; Improved Policy, Administrative and Regulatory Framework for the Private Sector; and Strengthened Institutional Capacity to Foster Private Enterprise.

The economic growth SO contributes to the Mission's two cross-cutting themes of gender and public-private partnerships. Activities include rural microcredit delivered through NGO intermediaries, as part of a broader community development approach. Gender considerations have been integrated throughout the Economic Growth strategy and underlying activities have been designed to maximize gender impacts.

Possible Adjustment to Plans: Four factors could affect the progress of our plan: 1) the level of funding available in future years; 2) continued progress on administrative reform; 3) the advent of additional resources and areas of strategic focus under the auspices of the Regional Trade and Investment Initiative (RTII) and the "Eizenstat Initiative"; and 4) the use of Development Credit Authority as an alternative source of funds.

Other Donor Programs: Donor activity is significant, supporting structural adjustment, macro-economic policy reform, infrastructure development, financial sector reform, related institutional policy reform, and assistance to specific sectors such as agriculture, fisheries and education. The World Bank is the preeminent donor in structural adjustment and financial market development. The European Union, the European Investment Bank, France, Japan and Germany are other major donors in support of the private sector.

Principal Contractors, Grantees or Agencies: Primary contractors include Volunteers in Technical Assistance, The Services Group, PriceWaterhouse/Coopers, and the Stanford Research Institute.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Investor's Roadmap III:				
• Progress towards admin. reform	0%	2.5%	10%	20%
Microfinance Intermediaries:				
• Volume of microcredit loans	10,300	42,000	55,000	65,000

● Percent of population in the Souss-Massa-Draa region with access to Microcredit through formal sources	0%	2.5%	10%	20%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Improved Water Resources Management in the Souss-Massa River Basin 608-006
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $449,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,000,000 DA
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: One of the major development challenges facing Morocco is management of its water resources on a sustainable basis. Two-thirds of its agricultural exports are produced by irrigated agriculture, which uses 90% of the nation's captured freshwater resources. Planned expansion of Morocco's network of dams can increase the supply of water by perhaps one-fourth, but projected doubling of the population over the next 30 years will result in massive decreases in per capita availability, unless fresh water is managed more effectively. Underlying these economic considerations for improving water resources management are issues of health and social welfare. Inadequate supplies of potable water and sanitation are major household burdens and causes of disease that limit productivity, economic efficiency, and educational opportunities. To prevent a water-induced crisis in Morocco, fundamental changes in water availability and use, based on equitable and transparent decisions involving the participation of community groups, the private sector and private water users associations, are essential.

USAID has worked to improve water resources management in the agricultural, urban and industrial sectors since 1992. These activities included work in the areas of improved irrigation efficiency, watershed management, water quality control, municipal water and sanitation services, and training for municipal officials in financial management and environmental planning.

Starting in 1999, USAID/Morocco entered a new phase of water resources management under Strategic Objective (SO) 6 - Improved Water Resources Management in the Souss-Massa River Basin. Some of the above activities will continue through FY 2002, in conjunction with SO6. Others will end in FYs 2000 and 2001. The keystone of SO6, which was approved in August 1999, is the 1995 law decentralizing financial and planning authority for water resources to River Basin Agencies (RBA). With FY 2001 funding, USAID will take advantage of this law to simultaneously support decentralization, build public-private partnerships, facilitate reduced operating cost reduction, and improved environmental quality by facilitating the establishment of a transparent and participatory RBA for the Souss-Massa region.

The Souss-Massa region was selected as the most promising site for the new work because of its economic importance to the country. Its main industries -- agricultural exports and tourism -- depend upon water; it offers strong development partners; and it faces severe problems of water scarcity, water quality, and water availability that can be improved through the application of practices developed in the past seven years of USAID work in the water sector.

Key Results: Activities under SO6 are just getting started. A five-year Grant Agreement for the Souss-Massa Integrated Water Resources Management (SIWM) activity was signed with the Ministry of Equipment in August 1999. SIWM will support the creation of a participatory and technically competent RBA to manage water resources in the Souss-Massa River Basin. Results of SIWM will be achieved through: (1) improved institutions in place for water resources management in the Souss-Massa River Basin; (2) the dissemination and implementation of best practices in water resources management; and (3) democratization and decentralization accelerated through increased local participation in resource management.

In October 1999, a roundtable meeting was held in the Souss-Massa region with all public and private sector agencies involved in the water sector, including Health, Agriculture, Local Government, Housing, and private water users associations. The meeting had the full support of the regional government, and was the first occasion for the various agencies to meet together to express their views of a RBA. Also, in October, an assessment was carried out to identify results and lessons learned of on-going water activities that can be incorporated into SO6. Finally, a Memorandum of Understanding was signed in November 1999 in the Souss-Massa region by the three implementing Ministries of SIWM: Equipment; Agriculture; and Territorial Management, Environment, Urbanism and Habitat. The MOU committed the three Ministries to work together to create a RBA for the Souss-Massa watershed, and to achieve the overall objectives for

SO6. The signing, with the participation of regional agencies involved in watershed management, underscores the support for decentralization and local management of a scarce natural resource.

Performance and Prospects: The new water strategy, SO6, builds directly upon the success of the Mission's Strategic Objective No. 2 (SO2) -- Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors. SO6 activities will be based on "best practices" developed in SO2, including appropriate irrigation technologies, water conservation measures, soil erosion control, municipal water and sewerage provision, and participatory approaches to design, implementation, and management. The decision to continue work in the water sector was based upon the strong performance and energetic Moroccan interest in the current activities. These results were achieved through community-based, technically sound approaches, and with the full faith of local and national officials.

SO6 contributes to the Mission's two cross-cutting themes of gender and public-private partnerships. A partnership will be created for water management among the public and private groups represented by private water users associations, provincial and regional governors, the elected regional council, and sectoral ministries such as Agriculture, Health, Environment, Housing, and Equipment. Many water users associations will involve the participation of women, who will be given a voice in decision-making on matters concerning water use. Through their participation in the Souss-Massa River Basin Agency, women and other private sector organizations will interact with local and regional government officials to improve water allocation, pricing and sanitation.

Possible Adjustments to Plans: In the next six to nine months, as implementation of the SIWM activity gets underway, USAID/Morocco will further review and refine its indicators and targets to measure the results of improved water management in the Souss-Massa region. Additional indicators may be included to address issues of water quality for agriculture, industry, and residential use.

Other Donor Programs: Local governments and NGO partners participate financially and provide in-kind support to various interventions. The World Bank is supporting the creation of a RBA in another major watershed in Morocco. European nations, especially France and Germany, continue to fund community-based water use and management activities.

Principal Contractors, Grantees, or Agencies: One or more contracts to U.S. firms will be awarded in early 2000 to implement the new SIWM activity. Numerous U.S. and Moroccan companies, universities, and NGOs will provide short-term assistance or work as subcontractors.

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Decreased use of water for agriculture to be reallocated to other sectors (urban, and industry)	('99) 90%	N/A	90%	90%	88%
Increased use of non-traditional water sources for agriculture	('99) 0%	N/A	0%	3%	5%
Progress toward adoption of 11 key reforms (percent completed)	('95) 12%	54%	60%	75%	80%
Progress toward effective water resources management in the Souss-Massa measured by adoption and implementation of participatory policies and programs (percent completed)	('99) 0%	N/A	0%	5%	15%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs, 608-007
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA; $1,500,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $1,500,000 DA; $2,000,000 CSD
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID has provided extensive assistance to the Ministry of Health (MOH) of the Government of Morocco over the past several decades to expand family planning services, increase contraceptive prevalence, improve child health, and assist in other aspects of reproductive health. With this assistance, Morocco has achieved outstanding results in

reducing fertility and mortality of children under five and now serves as a model for other countries. Nonetheless, problems remain which pose significant challenges to sustainability. Rural Morocco lags at least ten years behind the rest of the country in every health indicator and there are important health care financing issues. Given this situation, USAID is progressively reducing its financial support to the sector, while helping the MOH to consolidate the gains achieved and to develop innovative solutions to outstanding problems. Special Objective 7 (SpO7) addresses these issues, while establishing a new relationship in the health sector in Morocco. USAID's assistance calls for greater involvement of new partners at the local level and in the private sector in order to both diversify the resource base and move problem solving from the central level closer to the local level. The focus on sustainability and phase-out is highlighted by the fact that funding levels are over 70% lower than in previous agreements.

Key Results: The program will use FY 2001 funds to promote sustainability, with results in two areas. The first is the development of a model of decentralized management of primary health services in two regions. The approach will focus on involving local women, in collaboration with the MOH, elected officials, NGOs and other community associations and the private sector, in the planning and delivery of quality reproductive and child health services. Within the context of this regional model, USAID will use Development Assistance (DA) funds to address relevant policy issues and reinforce the quality, management and delivery of family planning and reproductive health service delivery. Likewise, Child Survival and Diseases (CSD) funds will be used to address issues related to child morbidity and mortality, including the reduction of deficiencies in Vitamin A and other micronutrients.

The second key result will be to increase access to Family Planning/Maternal and Child Health (FP/MCH) services in the private sector. USAID will use DA funds to support relevant policy reform, social marketing of contraceptive products, and activities to improve the capacity of General Practice physicians to provide quality reproductive health services at a reasonable price. USAID will use CSD funds to support social marketing of oral rehydration salts and promote consumption of micronutrient enriched food products.

Performance and Prospects: Morocco, with USAID's assistance, has proven an excellent partner in the health sector and demonstrated impressive results which have exceeded SO indicator targets. The total fertility rate (TFR; average rate of number of children per woman) was greater than 7 in 1962, 3.3 in 1995, and is now 3.1, with the urban rate as low as 2.3. The percentage of married women using a family planning method has increased steadily from 19% in 1980 to 59% in 1997. Infant mortality has decreased to between 37 to 51 per 1000 live births -- a significant decline from 91 per 1000 births in 1980.1 Given these successes, the decision was reached to phase out USAID's assistance to the sector with a program emphasis on sustainability. As a result, with USAID's support, by September 2000 the Ministry of Health will have institutionalized key elements of a national FP/MCH program. The MOH has also successfully confronted the challenge of financing contraceptives, exceeding host country contribution requirements. FY 1999 was the final year that USAID financed any contraceptives for Morocco.

There are, however, serious constraints to sustainability. For example, the average number of children for rural Moroccan women is 4.1 children per woman, almost twice as high as their urban sisters (2.3). In addition, despite progress, the program remains heavily donor dependent with serious health care financing issues. For a number of reasons, the majority of Moroccans receive basic preventive maternal child health services for free from the public sector, including people who can afford to pay.

USAID's assistance in the Special Objective focuses on priority interventions essential to address these constraints. It builds directly on the investments made to date as well as a new openness on the part of the GOM to address long-standing issues. For example, the GOM has demonstrated a new willingness to de-concentrate decision-making and anticipates delegating responsibility for implementation and resources to the regional level. This initiative, along with a new recognition of the necessity of a multi-sector approach, should provide a fertile context for resolving issues of health service availability and quality in rural Morocco, and will serve as a solid foundation for the decentralization model. Moreover, there is wide recognition of the need for the private sector to play a more active role in the delivery of reproductive and child health services, and that, by diversifying the sources of care, the current financial burden on the MOH can be relieved. Lastly, in order to protect USAID's investments to date, a modest amount of funding is also available to provide periodic technical assistance to the MOH to respond to problems in the national reproductive and child health systems previously developed in collaboration with USAID.

Special Objective 7 contributes to the Mission's two cross-cutting themes of gender and public-private partnerships. For gender, SpO7 will use FY 2001 funds to support inclusive local management of health programs, bringing the perspectives and needs of women in under-served communities directly into the decision-making process. Local community groups, including women's groups, will be direct actors rather than only recipients of health services. For the second result, SpO7 will use FY 2001 funds to foster partnerships. Not only will private doctors be helped to organize and offer high quality, affordable reproductive and child health services, but also the public sector will be encouraged to form

partnerships with local non-government organizations to reach clients more effectively. The net result will be to provide broader access to high quality care in both sectors.

Besides these direct contributions to the cross-cutting themes, SpO7 will seek and support synergies with other strategic objectives whenever possible. These are likely to include, for example, providing micronutrient information and/or supplements to vulnerable groups in rural schools, and linking private physician groups to relevant Economic Growth activities to help them form more viable practices.

Possible Adjustments to Plans: USAID/Morocco is in the process of developing results packages under this SpO (which was approved in 1999), and thus anticipates some adjustments in implementation mechanisms and performance monitoring indicators and target as these are finalized.

Other Donor Programs: Morocco remains heavily donor dependent, with estimates indicating that over 40% of the reproductive health program is donor-funded. Beginning in FY 2000, USAID will no longer be the largest donor in the sector, a position now assumed by the European Union (EU). The World Bank plays a very significant role as a lender. UNICEF and UNFPA also play important roles, although UNFPA has recently suffered important budget constraints. USAID is working with the MOH to facilitate expansion of successful models by these donors as well as to establish links with private U.S. foundations, including the Bill and Melinda Gates Foundation, which has shown interest in funding a number of activities in Morocco.

Principal Contractors, Grantees and Agencies: USAID/Morocco's principal counterpart is the MOH. Other partners in Morocco include local and international PVOs, NGOs and professional associations. The Special Objective is implemented through USAID/Washington's Global Bureau grants and contracts and/or task orders to indefinite quantity contracts. Cooperating agency projects active in Morocco include the Commercial Markets Strategy Project, Micronutrient Operational Strategies and Technologies, Partnerships for Health and the Policy Project. USAID is encouraging U.S. PVOs to seek funding through the BHR/PVC child survival grants program, and is also working with Helen Keller International to implement community-level interventions to address micro-nutrient deficiencies and trachoma eradication.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Contraceptive use, modern methods[1]	49%	49%	49%	49%	49%
Private sector proportion of FP clients[2]	39%	N/A	N/A	N/A	N/A
Improved policy environment (completion of 5 reforms)[3]	7.5%	10%	15%	30%	50%
Percent of Couple Years of Protection (CYPs) from private sector	32%	32%	33%[4]	35%	37%

[1]Baseline from 1997 PAPCHILD national survey; next survey planned 2002. The goal is maintenance of existing levels despite a reduction of over 70% in USAID support to the sector.
[2]Ibid. In intervening years, progress will be tracked by CYP.
[3]The five policy reforms concern government financing of FP and MCH services, private sector service delivery, and empowerment of regional teams to plan and implement programs.
[4]This figure is based on preliminary data and subject to further verification.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Increased Attainment of Basic Education among Girls in Selected Rural Provinces, 608-008
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,500,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $485,000 DA, $1,000,000 CSD
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Developing a country's human resource base is central to achieving economic prosperity and political stability. Education is a crucial part of this equation. Morocco's poor social indicators are due to large inequalities between urban

and rural areas and between different segments of the country's population. Fundamental weaknesses in Morocco's education system hinder its ability to compete in the global market and to attract more foreign investments. The Ministry of National Education (MNE) views USAID's technical leadership in this sector as critical to providing credibility to its strategy for the improvement of rural primary education. In 1994, the national net enrollment rate for all children in primary school was 62% (52% for girls and 72% for boys). Numbers are severely skewed in favor of urban areas. In terms of access to education, girls in rural areas are the most disadvantaged segment of the population, with only 27% of girls enrolled in school.

USAID's objective is to increase the attainment of girls in selected primary schools in rural Morocco. This will be achieved through integrated activities that address supply and demand issues in education and the policy reforms necessary for sustained change in the basic education system. Special Objective 8 (SpO8) aims to (1) introduce behavioral change at the school and community level, (2) improve the managerial skills of the staff of the provincial delegation of the Ministry of National Education to enable them to take charge of the province's education problems, and (3) negotiate new policy reforms at the provincial and central levels that are advantageous to girls' education.

Key Results: By the end of 2000, a flexible, replicable model comprised of interventions at the school, community, provincial, and central policy levels, will have been developed and tested. In the second phase (2001-2004), the model will be extended in additional provinces, including the Souss-Massa-Draa.

Performance and Prospects: USAID assistance using FY 2001 funding will support: 1) improvement of classroom dynamics through in-service training of teacher trainers, teachers, and administrators in student-centered teaching, multi-grade teaching, equity in the classroom, and lesson adaptation (computer-assisted teacher training is part of the improvement approach); 2) strengthening of MNE capacity at the local, provincial, and national levels to design, manage, evaluate, and replicate the model; 3) initiation of policy reforms which target the MNE management information system, rural teachers' development, decentralized decision-making, and the forging of partnerships; and 4) greater involvement of local communities, private sector entities, and non-governmental organizations in girls' education. One of the major weaknesses of the basic education system is the inadequacy of training provided at teacher training colleges. Key areas, such as student-centered learning, multi-grade instruction, lesson adaptation, and especially equity in the classroom, are not addressed. Thus, USAID's technical work in basic education aims to create an enabling classroom and learning environment to increase the participation of girls in the education system.

In further support of the MNE's strategy for rural education, FY 2001 activities will aim to assist the MNE in mobilizing local communities, local government, and other ministries to support their local schools and assume greater responsibility for school-related decisions. Activities will also build broad-based national-level recognition of the importance of educating girls, and assist the Ministry in carrying out its first educational technology program. SpO8 contributes to the Mission's two cross-cutting themes of gender and public-private partnerships. It aims at making the education delivery system responsive to the needs of girls, through teacher training in classroom gender sensitivity and other supply-side interventions. It also promotes broadening the base of private and public partners in education with a special consideration for bringing women's voices into the process.

Possible Adjustments to Plans: SpO8's experience has shown that specific changes in current school-level activities might be necessary to ensure more efficient and effective use of resources. In particular, some activities will be redirected towards teacher training college faculty in the pilot provinces to ensure wider impact and sustainable change.

Other Donor Programs: The host country finances at least 25% of all program-related costs, including manpower costs associated with management, monitoring and evaluation in pilot interventions. The expansion of primary school reforms beyond the pilot areas to the national level will be the responsibility of the GOM. The GOM and the World Bank signed a loan agreement for a Social Priorities Program in September 1996. This program included an important basic education infrastructure component ($54 million), and was expected to improve infrastructure in the pilot schools. USAID's assistance package was prepared in close collaboration with the World Bank in order to build upon mutual inputs. However, due to various reasons beyond USAID's control, World Bank's implementation mechanisms did not target USAID pilot schools for infrastructure upgrading. The United Nations Children's Fund (UNICEF), United Nations Educational, Scientific and Cultural Organization (UNESCO), United Nations Population Fund (UNFPA), World Food Program (WFP), United Nations Development Program (UNDP), and the French and Spanish cooperation agencies have programs that support elements of the MNE strategy for rural education.

Principal Contractors, Grantees, or Agencies: The primary contractors for the activities include: Management Systems International, Creative Associates International, Inc. (which both have U.S. subcontractors), and the Academy for Educational Development. The principal grantee is the Ministry of National Education. The Morocco Education for Girls Activity (MEG) and Girls' Education Activity (GEA) which began under SpO4 have been carried over into SpO8.

Selected Performance Measures: (for Pilot Schools)	Baseline (1995)[1]	Actual (1998)	Actual (1999)	Target (2000)	Target (2001)
Percent Enrollment of Girls (percentage of girls of primary school age comprising student population in pilot schools)	37%	40%	41%	43%	45%
Gross Completion Rate (percentage of girls completing the primary education cycle, (years 1-6) within 8 years of attending school)	39%	50%	N/A[2]	50%	55%
Participation Intensity Level (Mean number of participatory activities)[3]	0	1.44	N/A[2]	2.75	3.25

[1]School years overlap: 1998 refers to 1997-1998 school year; in 1995, the 1994-1995 data were not available; data for 1995-1996 are used instead.
[2]Data will be collected in January 2000.
[3]The stages of participation and weights are categorized as having: non-existent or inactive partners (0), emerging partners who at least discuss moral or material support for girls' education issues (1), partners beginning ad-hoc actions in favor of girls' education (2), expanding partners with clear plans and ongoing actions (3), or mature, participating partners who also have plans for expanding actions in the future (4).

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Reduced Fertility and Improved Health of Children under Five and Women of Child-bearing Age, 608-001
STATUS: Terminating in FY 2001. Strategy Revised in FY1999; see SpO 608-007.
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY1993 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: This Strategic Objective, which has exceeded impact targets to date, is the last planned bilateral program in the health and population sector. Subsequent USAID support to the health sector approved as a Special Objective will be implemented using Global Bureau field support programs and central indefinite quantity contracts (IQCs). With USAID assistance, over the past several decades Morocco has achieved outstanding results in reducing fertility and mortality of children under five. USAID is, therefore, winding down its financial support to the sector while helping the Moroccan Ministry of Health to consolidate the gains it has achieved and to make its program sustainable.

Key Results: The program achieved a substantial reduction in fertility and improvements in the health of women and children. This program also helped the Ministry of Health form the base systems to assure sustainability of the program beyond direct USAID support for service delivery.

Performance: The year 1999 was characterized by high-paced implementation as USAID, the Ministry of Health and partners worked to consolidate gains and complete activities planned under this final bilateral agreement. This intense activity directly benefited intermediary beneficiaries, especially health care workers, as well as our ultimate customers, women and children. By the end of this Strategic Objective in late 2000, the Ministry of Health will have in place most of the necessary elements of a fully functioning national Family Planning/Maternal Child Health program: 1) a nationwide network of service providers and facilities; 2) an adequate contraceptive logistics system and the ability to project needs and procure commodities; 3) appropriate pre-service and in-service training programs; 4) a strong national health information and communication program; 5) the basic tools for a modern, nationwide, data management and disease surveillance system; 6) an active private sector with two self-financing social-marketed contraceptives (orals and condoms); 7) successful pilots ready for replication in both Emergency Obstetric Care and Integrated Management of Childhood Illnesses; and 8) a burgeoning non-governmental sector including active professional associations for physicians, nurses, and midwives.

Adjustment to Plans: This SO is ending in December 2000. Follow-on activities will be continued under Special Objective 7 (SpO7).

Selected Performance Measures:	Baseline (1992)	Actual (1998)	Actual (1999)	Target (2000)	Target (2001)
Total Fertility Rate (TFR)	4.0	3.05	3.05	3.0	N/A
Infant Mortality Rate (IMR)	57	36.6	36.6	36.6	N/A
Contraceptive Prevalence Rate (CPR) for modern methods	36%	49%	49%	49%	N/A%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors 608-002
STATUS: Continuing. Strategy Revised in FY 1999; see SO 608-006.
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,551,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Although Morocco has water resources, periodic droughts, rising levels of pollution, and increasing water consumption threaten its environmental and economic well being. Historically, insufficient attention has been given to protecting water and other natural resources to assure availability for future generations. Without significant changes, per capita water availability is expected to decline by 50% by the year 2020. Since 1992, USAID has worked to improve water resources management in the agricultural, urban and industrial sectors. USAID/Morocco's SO2 addresses: environmental sustainability, by establishing a system to conserve and clean water, and enabling sustainable urbanization; economic growth and agricultural development, by improving sustainability of natural resource use; and human health, by improving access to water and sanitation.

Key Results: Irrigation technologies introduced by the Tadla Resources Management (TRM) project reduced water consumption on farms in the target area by 20%, while simultaneously improving crop yields. The Water Resources Sustainability (WRS) Project reduced siltation of a major reservoir in northern Morocco's second largest city, Tetouan. WRS also designed and has almost completed the construction of two model waste water treatment plants--a chromium recycling plant in Fez, and municipal liquid waste treatment plant near Agadir that will reuse treated water for irrigation. In addition, a pilot wastewater treatment plant began operation, and construction began on a full plant in Al Attaouia for wastewater treatment, wastewater reuse, and production of methane. Also, construction has begun on a full-scale waste water treatment and reuse system. Municipal services were provided to 2,938,000 poor urban residents in 30 communities.

Performance: SO2's performance is on-track with major results achieved. The purpose of SO2 is to promote the policies and institutions, technical practices, and participation that will improve the quality and quantity of Morocco's water, and make potable water and sewerage connections available to more people. Based upon the strong performance and energetic Moroccan interest in these activities, the Mission decided to intensify its work in the water sector, focusing on adapting the most effective technologies and management practice from SO2 under a new Strategic Objective to be implemented in the Souss-Massa region.

Adjustments to Plans: This SO is ending in FY 2002. Follow-on activities will be continued under Strategic Objective 6 (SO6).

Selected Performance Measures:	Baseline	Actual (1998)	Actual (1999)	Target (2000)	Target (2001)
Loss of soil erosion in target areas (tons/ha/year)	('97) 64	61	57	55	48
Progress toward adoption of 11 key reforms (percent completed)	('95) 12%	54%	60%	75%	85%
Cumulative number of project-funded of poor-urban households connected to sewerage and water services	('94) 0	122,420	161,820	213,820	N/A

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Expanded Base of Stakeholders in the Economy, Targeting People of Below-median Income, 608-003
STATUS: Terminating. Strategy Revised in FY 1999; see SO 608-005.
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: SO3's goal is to improve the quality of life for poorer Moroccans through equitable and sustainable social and economic development. Most jobs in Morocco are created by small-and micro enterprises, which represent more than 80% of all companies in the country. In addition, these enterprises tend to employ large numbers of poorer Moroccans. To create lasting jobs, these enterprises must have the opportunity to develop and expand, and the ability to respond to new market demands. Activities under this objective focused on 1) improving government policies and regulations; 2) simplifying procedures for creating and expanding small and microenterprises; 3) broadening access to financial resources and services; and 4) improving and expanding management and advocacy services provided by business associations and consulting firms.

Key Results: During FY 1999, these activities generated almost 18,300 person-years of employment, exceeding the 1999 target of 15,200. Forty-five percent of these jobs went to women. The cumulative new-jobs-generated figure for the period 1993-1999 is an impressive 150,557. Progress during 1999 was good, mostly surpassing the reform agenda targets.

Performance: USAID's activities made substantial progress on policy reform including: 1) creation of a small business policy unit; 2) institution of a legal framework to codify a formal process on administrative reform concerning enterprises; 3) initiation of a one-stop business registration center; and 4) adoption of economic associations law. In 1999, 27,000 business licenses were issued to SMEs (3,240 licenses issued to women, equivalent to 12% of total). More than 18,000 loans were provided to small and microenterprises for a value of $2 million. There was a real boost in the number of membership of business associations, which reached 40,000 members. There was the opening of six new microfinance offices, now totaling 36 offices dispatched among all the regions.

Adjustment to Plans: SO3 will end in FY 2000. USAID will continue economic growth assistance under a new strategic objective, SO-5.

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Jobs created for below-median income people (cumulative)	104,597	129,557	155,557	170,000	N/A
Progress towards adoption of key policy reforms (percent completed):					
• Small business policy unit	60%	70%	80%	100%	N/A
• Legal framework	40%	60%	80%	100%	N/A
• Economic association	40%	60%	100%	N/A	N/A
• Business tax forms	40%	60%	80%	100%	N/A
• Official Guide for business formalities	40%	60%	80%	100%	N/A
Creation and expansion of small and microenterprises	23,000	25,000	26,000	30,000	N/A
Loans to microenterprises (cumulative)	1,880	11,030	17,110	21,000	N/A

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Morocco
TITLE AND NUMBER: Increased Basic Educational Attainment among Girls in Selected Rural Pilot Schools, Using a Replicable Model, 608-004
STATUS: Terminating. Strategy Revised in FY 1999; see SpO 608-008.
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-

PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: Developing a country's human resource base is central to achieving economic prosperity and political stability. Education is a crucial part of this equation Fundamental weaknesses in Morocco's education system have hindered its ability to compete in the global market and to attract more foreign investments. In 1994, the national net enrollment rate for all children in primary school was 62% (52% for girls and 72% for boys), with the numbers severely skewed in favor of urban areas. In terms of access to education, girls in rural areas are the most disadvantaged segment of the population, with only 27% of girls enrolled in school. Accordingly, USAID's objective was to increase the attainment of girls in selected primary schools in rural Morocco. This was to be achieved through integrated activities that addressed supply and demand issues in education and the policy reforms necessary for sustained change in the basic education system.

Key Results: By the end of 2000, SpO4 will have developed and tested a flexible replicable model comprised of interventions at the school, community, provincial, and central policy levels. In the second phase (2001-2004), which will be implemented under SpO8, the model will be extended in additional provinces, including the Souss-Massa-Draa.

Performance: USAID assistance supported: 1) improvement of classroom dynamics through in-service training of teacher trainers, teachers, and administrators in student-centered teaching, multi-grade teaching, equity in the classroom, and lesson adaptation (computer-assisted teacher training is part of the improvement approach); 2) strengthening of MNE capacity at the local, provincial, and national levels to design, manage, evaluate, and replicate the model; 3) initiation of policy reforms which target the MNE management information system, rural teachers' development, decentralized decision-making, and the forging of partnerships; and 4) greater involvement of local communities, private sector entities, and non-governmental organizations in girls' education.

Adjustments to Plans: This SpO is ending in FY 2000. Follow-on activities will be continued under Special Objective 8 (SpO8).

Selected Performance Measures:	**Baseline (1995)[1]**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Percent Enrollment of girls of primary-school age	37%	40%	41%	43%	N/A
Gross Completion Rate, percentage of girls completing years 1-6, within 8 years	39%	50%	N/A[2]	50%	N/A
Participation Intensity Level (Mean number of participatory activities)	0	1.44	N/A[3]	2.75	N/A

[1]School years overlap: 1998 refers to 1997-1998 school year; in 1995, the 1994-1995 data were not available; data for 1995-1996 are used instead.
[2]Data will be collected in January 2000.
[3]The stages of participation and weights are categorized as having: non-existent or inactive partners (0), emerging partners who at least discuss moral or material support for girls' education issues (1), partners beginning ad-hoc actions in favor of girls' education (2), expanding partners with clear plans and ongoing actions (3), or mature, participating partners who also have plans for expanding actions in the future (4).

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Morocco			
Title and Number: Increased Opportunities for Domestic and Reigonal Trade and Investment, 608-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,750 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,750 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**3,000 DA**	10,210 DA	14,960 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Morocco			
Title and Number: Improved Water Resources Management in the Souss-Massa River Basin, 608-006			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	2,500 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	2,500 DA	0 DA	2,500 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	449 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**449 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**2,000 DA**	7,051 DA	12,000 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Morocco			
Title and Number: Key Interventions Promote Sustainability of Population, Health and Nutrition Programs, 608-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,620 DA	0 DA	
	380 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	1,620 DA	0 DA	1,620 DA
	380 CSD	0 CSD	380 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	3,000 DA		
	1,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**3,000 DA**		
	1,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**1,500 DA**	2,100 DA	8,220 DA
	2,000 CSD	1,000 CSD	4,880 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

U.S. Financing (In thousands of dollars)			
Program: Morocco			
Title and Number: Increased Attainment of Basic Education Among Girls in Selected Rural Provinces, 608-008			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	1,526 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	1,526 CSD	0 CSD	1,526 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	1,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	1,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**485 DA**	0 DA	485 DA
	1,000 CSD	2,510 CSD	6,536 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

U.S. Financing (In thousands of dollars)			
Program: Morocco			
Title and Number: Reduced Fertility and Improved Health for Children Under Five and Women of Child-bearing Age, 608-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	35,671 DA	27,386 DA	8,285 DA
	6,252 CSD	1,210 CSD	5,042 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,380 DA	6,476 DA	
	70 CSD	1,690 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	37,051 DA	33,862 DA	3,189 DA
	6,322 CSD	2,900 CSD	3,422 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	37,051 DA
	0 CSD	0 CSD	6,322 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

U.S. Financing (In thousands of dollars)			
Program: Morocco			
Title and Number: Improved Water Resources Management in the Agricultural, Urban and Industrial Sectors, 608-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	25,909 DA	17,525 DA	8,384 DA
	1,465 CSD	75 CSD	1,390 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	200 DA	5,269 DA	
	850 CSD	1,190 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	26,109 DA	22,794 DA	3,315 DA
	2,315 CSD	1,265 CSD	1,050 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,551 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,551 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	27,660 DA
	0 CSD	0 CSD	2,315 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

U.S. Financing (In thousands of dollars)			
Program: Morocco			
Title and Number: Expanded Base of Stakeholders in the Economy, Targeting Pople of Below-median Income, 608-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	23,290 DA	14,822 DA	8,468 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	2,300 DA	5,672 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	25,590 DA	20,494 DA	5,096 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	25,590 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

U.S. Financing (In thousands of dollars)			
Program: Morocco			
Pilot Schools, Using a Replicable Model, 608-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	7,000 DA	5,292 DA	1,708 DA
	0 CSD	0 CSD	0 CSD
	6,580 ESF	6,207 ESF	373 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	1,504 DA	
	0 CSD	0 CSD	
	0 ESF	167 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	7,000 DA	6,796 DA	204 DA
	0 CSD	0 CSD	0 CSD
	6,580 ESF	6,374 ESF	206 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	7,000 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	6,580 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Morocco

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	6,200	8,000	6,750	6,985
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	4,700	2,826	3,000	3,000
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	0	0		0
P.L 480 Title III	0	0	0	0
Total Program Funds	**10,900**	**10,826**	**9,750**	**9,985**
Operating Expenses	3,526	2,841	2,900	3,100
Trust Funds	100	962	0	0
Total Operating Costs	**3,626**	**3,803**	**2,900**	**3,100**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	7	6	7	7
Other U.S. Citizen	2	1	2	2
FSN/TCN	38	36	38	38

Subtotal OE Funded	**47**	**43**	**47**	**47**
Program Funded*				
U.S. Citizen	1	1	1	1
FSN/TCN	5	7	7	7
Subtotal Program Funded	**6**	**8**	**8**	**8**
Other				
TAACS	0	1	1	1
Fellows	2	1	1	1
IDIs/NEPs	0	0	0	0
Subtotal Other	**2**	**2**	**2**	**2**
Total Work Force	**55**	**53**	**57**	**57**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
608-005 Increased Opportunities for Domestic and Regional Trade and Investment							
- DA	3,000	0	0	0	0	0	3,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
608-006 Improved Water Resources Management in the Souss-Massa River Basin							
- DA	0	0	2,000	0	0	0	2,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
608-007 Key Interventions Promote Sustainability of Population, Health and Nutrition Programs							
- DA	0	1,500	0	0	0	0	1,500
- DFA	0	0	0	0	0	0	0

- CSD	0	2,000	0	0	0	0	2,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
608-008 Increased Attainment of Basic Education Among Girls in Selected Rural Provinces							
- DA	0	0	0	0	485	0	485
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	1,000	0	1,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	3,000	1,500	2,000	0	485	0	6,985
- DFA	0	0	0	0	0	0	0
- CSD	0	2,000	0	0	1,000	0	3,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, James Bednar

The United States Agency for International Development

NEPAL

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

USAID has made many critical contributions to Nepal's development since the country opened its doors to the outside world half a century ago - building infrastructure, enhancing rural development, improving health and family planning and meeting a host of other important development needs. Since the inception of democracy only 10 years ago, USAID has partnered with the Government of Nepal and other donors to ensure continuing progress towards improved democratic processes in Nepal. More recently, USAID has pioneered assistance to improve the role of women, protect natural resources and biodiversity, and increase rural incomes. USAID is also assisting Nepal to attract private sector investment to capitalize on its tremendous hydropower potential. As a result of such assistance, visible, measurable progress has been made in Nepal in the past half century. However, Nepal remains a nation of great need - half of its population still lives in absolute poverty.

The current USAID/Nepal program promotes the U.S. national interests of democracy and human rights and the global issues of environment, population and health. Strengthening democracy in Nepal is the most important goal of the MPP and central to the community-level approach of the USAID activities. It serves a fundamental American interest and contributes to human rights, economic growth and political and social stability. The USAID program is intrinsically tied to several other MPP goals - Economic Development, Open Markets, Environment, Health, Population and Regional Stability.

The Development Challenge

Despite real progress in the social sectors, Nepal still faces serious challenges. Many of Nepal's social indicators are still the lowest in South Asia. Elections held in May 1999 resulted in a majority government. Problems of corruption and governance have troubled the new government but substantial donor attention has been focused on these issues. The USAID program is complementing these efforts. USAID programs are contributing to the democracy goal of the Agency by building the capacity of women's groups, community forest-user groups and irrigation-user groups, to better manage their resources and advocate for change. These programs are mutually supportive of other donor contributions in Democracy and Good Governance.

The Nepal program also supports the USAID goals of stabilized world population growth, protected human health and reduced spread of infectious diseases. Nepal's population growth rate is high (2.4% annually) and total fertility (the average lifetime births per woman) is 4.6. These rates mean a doubling of Nepal's population in 25 years, arguing for a continued need for USAID assistance to help the GON to expand the availability of quality, voluntary family planning services. The health of Nepal's population is still poor by world standards despite measurable progress. USAID programs that improve the control of diarrheal diseases and pneumonia, and reduce the number of children with vitamin A deficiency, have contributed to the reduction in the under-five mortality rate from 165 to 118 deaths per 1,000 live births in five years. But the infant mortality rate is still among the highest in the world. USAID also supports active

programs in preventing HIV/AIDS and infectious diseases to address these areas of growing local and global concern.

USAID/Nepal continues to pioneer assistance for women's empowerment in Nepal to advance democracy and economic growth. This program has contributed to significantly strengthening Nepali women's participation in politics, advocacy and economic growth despite funding restrictions. The completion of this innovative program provides the Agency with a large-scale tested pilot program on which to model similar activities globally. The program has increased women's literacy, knowledge of their legal rights and access to small loans to start businesses. This empowerment leads to future generations of articulate women who better understand the political systems that can address their community concerns. Future USAID/Nepal programs will use components of the successful Women's Empowerment Program to improve democratic processes in Nepal.

Eighty percent of the economically active population in Nepal works in the agriculture sector. Agricultural development is a critical means of alleviating poverty for rural Nepalis and to prevent large-scale migration to urban areas and to India. Contributing to the Agency goal of encouraging broad-based economic growth and agricultural development, the Nepal program will continue to use limited funding to assist farmers in targeted areas to use their resources more effectively to improve the quality of life for their families.

In forestry, USAID's support to over 1,300 community forestry user groups (an estimated 500,000 people) has supported the Agency Goal to protect the world's environment for long-term sustainability. The program is helping to preserve biodiversity, reduce global warming, and improve the management of over 100,000 hectares of forest in Nepal. The value of forest products is becoming an increasingly important source of new income for rural families. There is a growing link between the protection of watersheds by community forest-user groups in the hills and long-term returns on hydropower development.

The production and use of clean energy in this region is a priority in advancing global environmental objectives and is the focus of USAID's South Asia Regional Initiative in Energy (SARI). Nepal has tremendous hydropower potential (over 80,000 MW) of which less than 1% has been developed, that can contribute to the increasing demand for clean energy in the region. Hydropower development is a long-term goal that can generate tremendous revenue and thus reduce Nepal's dependence on donor assistance. USAID/Nepal has a strong program that directly assists the GON to administer environmentally sound hydropower development with transparent systems attracting international private sector investments. This program contributes to the Agency's environment goal as well as providing opportunities for U.S. private business interests.

Other Donors

Donor assistance in Nepal amounts to over U.S.$400 million annually. Infrastructure development, particularly transport, communications and energy, continues to receive the largest share of the resources. Trends in donor assistance are towards an emphasis on agriculture, health, social services, and natural resources. Recently, donor issues have included decentralization and good governance. The USAID program coordinates closely with other donors. The U.S.G. ranked fifth in bilateral assistance in 1999 and continues to play a lead role in policy discussions in forestry, health, women's issues, agriculture and hydropower.

The United States Agency for International Development

Nepal

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID/Nepal is developing a new strategic plan for FY 2001 - FY 2005. The program will focus on Nepal's needs in health and family planning, hydropower development and strengthening democratic processes to ensure the wise use and equitable distribution of wealth from that development in the future. Maintaining a community-level program, complemented by targeted policy dialogues at the national level will effectively maximize the impact of U.S.G. investments.

ACTIVITY DATA SHEET

PROGRAM: Nepal **TITLE AND NUMBER:** Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products, 367-001 **STATUS:** Continuing **PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** $300,000 DA **PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,000,000 DA **INITIAL OBLIGATION:** FY 1992 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Over 80% of Nepal's 23 million people depend on agriculture, agribusiness and/or forestry for their livelihood. Pervasive poverty and rapid population growth in the rural areas are forcing farmers to use ever more marginal lands, leading to deforestation and soil erosion. Accelerating agricultural growth has consequently been a key component of USAID's strategy for alleviating poverty and facilitating economic development in Nepal. The purpose of this objective is to increase the sustainable production and sales of forest and high-value agricultural products. This will be accomplished by expanding market participation by farmers, traders and entrepreneurs and promoting sustainable management of the productive resource base.

This objective is closely tied to U.S.G. interests in promoting broad-based economic growth through increasing opportunities for disadvantaged groups such as farmers and women. The objective also promotes a sustained global environment through programs to reduce forest degradation and to promote biodiversity conservation. The establishment and strengthening of popularly elected community-based forest and irrigation water groups also contributes significantly to building democracy while improving local resource management.

Approximately 1.2 million rural poor directly benefit from this program. People throughout Nepal will benefit from the introduction of improved crop varieties, increased trade, additional off-farm employment opportunities, and increased access to high-quality/lower-cost agricultural products. Women beneficiaries make up over 46% of the participants in the high-value agriculture program and 80% of the participants in the community forestry program.

Key Results: Two primary results will indicate that this objective has been achieved: a) annual sales of forest and high-value agricultural commodities in targeted areas should increase tenfold from $3.2 million in 1993 to $32 million by 2002; and b) community forest and irrigation-user groups with fully developed management plans will increase from 586 (1995) to 2,700 by 2002. Other results will indicate progress towards the objective, including: a) land turned over to forest-user groups will increase from 37,754 (1994) hectares to 150,000 hectares by 2002; b) the number of buffer zone conservation committees sharing in national park revenues will increase from 0 (1997) to 50 by 2002; and c) the annual production of forest/pasture biomass will increase from 174,000 cubic meters in 1994 to 2,200,000 cubic meters in 2002. As the Performance Measure table confirms, good progress is being made on these targets throughout the program.

Performance and Prospects: The production of high-value forest and agricultural commodities correlates strongly with increased family income and with shifts from subsistence to market oriented production systems. The transfer of land and resources to private forestry and irrigation-user groups demonstrates the Government's acceptance of the need for productive resource management by the private sector. It also increases the confidence of rural citizens in their own ability to manage resources, directly builds grass roots democracy; and demonstrates that democratic government can effectively and tangibly address the needs of its poorest citizens. Recent performance of USAID-sponsored activities has been very good with all related indicators exceeding targets. Prospects are favorable for even greater contributions to an increased standard of living in rural areas, provided funding levels are maintained.

USAID assistance has helped to create market linkages for new technologies that improve production and has identified markets for forest and high-value agricultural products in Nepal and the South Asia region. At the national level, USAID is continuing to support development and adoption of export-oriented trade policies and implementation of natural resource legislation, which expands community and private management of forest and water resources.

USAID works primarily with and through non-government organizations (NGOs), private firms and Government counterparts on these activities. Community groups are given training and technical assistance, which increases their capacity to help themselves. Increased incomes from community managed forests and irrigation schemes as well as high-value crop production and marketing systems are now being used to build roads, potable water systems, and schools and to undertake other types of self-help development activities. Knowledge of improved technologies is increasing production and the competitiveness of Nepalese farm and forest enterprises in both local and export markets. Under a new development strategy, USAID will move to more cost-effective mechanisms including greater use of local and international NGOs.

In FY 2001, USAID will complete critical bio-diversity and environment activities that will protect Nepal's frame ecosystem and reduce environmental degradation. The mission will also assist with the development of marketing strategies that will help community groups market the increased production of high-value agricultural commodities.

Possible Adjustments to Plans: As part of a Mission-wide strategy review, virtually all activities have been scrutinized for development impact, and adjustments have been made to budgets and work plans. In particular, decisions have been made to discontinue support to livestock production, increase efforts to create sustainable marketing links between producers' groups and buyers at wholesale market centers, and to better target specific problems in the marketing chain through policy work. Under the new 2001-2005 strategy, this objective will be focussed on addressing second-generation issues with community forest-user and irrigation-management groups established under earlier programs. This includes better management of the forest and water resources under community control, and ensuring equitable participation in decision-making and benefit distribution. These interventions will increase the chances that past investments will be sustained by the Nepali beneficiaries. In addition, USAID/Nepal is considering redirecting its high value commodity program to focus on strengthening federations of producers and buyers' group to further market development.

Other Donor Programs: USAID participates actively in donor thematic groups on forestry and agriculture/rural development. Community forestry programs, which are now spread across the country, are closely coordinated with the British, Australians, Swiss and Danish aid organizations. USAID's high-growth agriculture model is being replicated by the British Department for International Development in eastern Nepal, by German Technical Aid and the Swiss Development Cooperation in central Nepal, and by Denmark in western Nepal. USAID works in partnership with the Asian Development Bank to strengthen the GON's capacity to transfer the operation and maintenance of government irrigation systems to private water-user groups.

Principal Contractors, Grantees or Agencies: Current partners include: the GON Ministry of Agriculture, the GON Ministry of Forests and Soil Conservation, Winrock International Institute for Agricultural Development, Chemonics International, World Wildlife Fund, CARE, Canadian Center for International Studies and Cooperation, and the U.S. Department of the Interior.

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Target (1999)**	**Target (2001)**	**Target (2000)**	**Target (2002)**
Annual Sales of High-Value Agricultural, Livestock and Forest Commodities in Target Areas (Millions of US $)	3.2 (1993)	25.1	27	30.0	31.0	32.0
Farm and Forest Households Producing High-Value Products in Target Areas (Thousands of Farm and Forest Households)	23.1 (1993)	160.0	170.0	180	190	200

Annual Production of Forest/Pasture Biomass (Thousand of Cubic Meters)	174 (1994)	1,400	1,600	1,800	2,000	2,200
Community Forest and Irrigation User Groups Formed with Management Plans in Target Areas (Groups)	586 (1995)	1,500	1,600	1,800	2,100	2,700

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Nepal
TITLE AND NUMBER: Reduced Fertility and Improved Maternal and Child Health, 367-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $6,500,000 DA; $7,000,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $8,500,000 DA; $8,250,000 CSD
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The USAID/Nepal health program supports U.S. national interests to stabilize world population growth, protect human health and reduce the spread of infectious diseases. Its major purpose is to reduce fertility and improve maternal and child health, directly supporting the MPP Health and Population Goals. While current program objectives are being met, the needs in Nepal are vast; the maternal mortality rates are among the highest in the world at 1500/100,000 live births, population growth is 2.4% and, under-five mortality rates are currently estimated at 92/1,000 live births. Program objectives are met by expanding the use of quality, voluntary family planning (FP) services (through DA population funds); improving selected maternal and child health services (through CSD funds); increasing HIV/STI prevention and control practices among high-risk groups (through HIV/AIDS earmarks); and strengthening institutional capacity and control of selected infectious diseases with a focus on vector-borne diseases and antimicrobial resistance (through ID earmarks). The beneficiaries of the FP/reproductive health program potentially include the entire population of reproductive age - more than 11 million people of which at least four million will be contraceptive users. Child health services will reach 90% of children under five (about 3.5 million children).

Key Results: Two strategic level results will indicate that this objective is being achieved. Using population funds (DA), the total fertility rate should continue to drop from the 4.6 baseline (1996 DHS) to 4.0 children per women by 2002. The current estimate is 4.2. Through the use of CSD funds, under-five mortality rate should decline by an additional 35% from 118 (1996 DHS) to 85 per 1000 live births by 2002. As reported in the table of Performance Measures, several indicators reflect the continuing progress of the SO2 program in improving Couple Years of Protection, increasing the number of children receiving Vitamin A capsules, improving the treatment of pneumonia symptoms in children and increasing condom use in high risk groups to prevent the spread of HIV/AIDS.

Performance and Prospects: USAID assistance is delivered nation-wide through the GON, local and international NGOs, contractors and the private sector. A network of U.S. and Nepali NGOs provides comprehensive community-based health and FP services in 23 districts. Community health workers provide information and services to combat diarrheal diseases, pneumonia, vitamin A deficiency and HIV/AIDS as well as to promote FP/child spacing and safe birthing practices. In addition, through a program to better inform consumers of health and FP services, over 10,000 women completed health education and adult literacy classes. This year the SO2 program has exceeded expectations.

USAID is the lead donor for the national family planning program and the chief donor supporting private sector FP activities. Contraceptive use has increased substantially, surpassing targets in public, NGO and commercial private sites. USAID-trained paramedics dispensing Depo-Provera increased contraceptive use by 77% in private pharmacies. The supply of contraceptives in Nepal has been improved through the USAID-initiated national integrated logistics-management system for essential drugs and contraceptives. Eighty- five percent of district warehouses now stock a 3-month supply of contraceptives. To ensure that FP services are high quality, USAID continues support for the Quality of Care Management Center to monitor and improve clinical FP services with a focus on appropriate counseling and informed consent. USAID trained over 1400 health care professionals last year in the full range of family planning methods with a unique competency-based in-service and pre-service training program. In addition, two innovative national radio programs are increasing family planning provider knowledge and educating the public on the importance of family planning.

USAID's child survival activities have contributed to a 50% reduction in under-five mortality over the past 15 years. Nepal's national vitamin A program for high-dose capsule supplementation and complementary nutrition education has

now reached 94% of eligible children in 53 out of 75 districts, well ahead of projected expansion. By current estimates, the program is averting some 25,000-child deaths annually. The National CDD/ARI/IMCI Program contributes to the reduction of high infant and child mortality and to Nepal's still very high diarrhea and pneumonia mortality. The program continues to support improved case management of diarrhea in all 75 districts, as well as strengthening of ARI case management in 11 out of 75 districts. In this innovative program, female community health volunteers (FCHV), most of whom are illiterate, are now being trained to treat pneumonia in children. Studies indicate that only 17% of pneumonia cases are typically brought to health facilities -- with the community based program, over 50% of cases are now being treated.

The HIV epidemic continues to grow in the region but remains at a low level in Nepal. A survey of HIV/STI prevalence among truckers and sex workers has been completed and initial findings suggest HIV prevalence below 5%. High rates of STIs however place them at continued risk for HIV. An open Indian border, continued trafficking of women and children for the sex industry, seasonal male migration for work, flourishing commercial sex and other high-risk behavior, justify an aggressive prevention program. This program has been successful with 70% of male clients of commercial sex workers (CSW) using condoms in their last encounter (from a baseline in 1994 of 28%) and 67% of the CSWs also reporting last encounter condom use (from a baseline in 1994 of 35%). Condom sales in the high-risk areas along Nepal's major transport routes, increased to nearly 4.8 million in 1998.

In close collaboration with the U.S. Mission in Nepal, USAID is addressing the issues of trafficking of women and children from Nepal to India and other countries. The Nepal program focuses on the prevention of trafficking at the community level and on protection of trafficked victims in border areas and is closely tied to the GON National Plan of Action against trafficking. Additionally, these activities support the USAID regional program and also coordinate well with the efforts of other donors.

USAID's infectious disease program is establishing a system for surveillance of vector borne diseases and antimicrobial resistance, conducting activities to improve antimicrobial treatment practices, and building capacity to control vector-borne diseases. Extensive baseline assessments are being carried out; training on vector-borne diseases, laboratory skills, surveillance systems and rational drug practices have been initiated; and prevention programs are being developed. The infectious disease program is a part of the South Asia Regional Initiative and includes a variety of cross-border and regional activities to build networks, establish common standards, share information and resources as well as to coordinate cross-border prevention and control.

In FY 2001, the national vitamin A program will be expanded into new districts with a goal of reaching all districts and all of Nepal's children between the ages of 6 months to five years by 2002. This expansion is subject to the availability of funds as noted below.

Possible adjustments to plans: Due to reduced program funds, the PHN program is being streamlined to bring a more focused approach to all activities, while attempting to maintain critically needed impact. However, without the additional funds requested in FY 2001, some of our activities will be scaled back or phased out. For example, the national vitamin A program might be unable to expand beyond 55 districts, leaving 20 districts uncovered. Without assistance from other sources to replace the USAID support for this program, thousands of children will die unnecessarily. The HIV/AIDS prevention program, currently focussed in border areas, will be expanded to respond to recent data indicating that HIV prevalence is increasing in high-risk groups in Kathmandu.

Other donor programs: USAID actively collaborates with other donors in the health sector. These include UNDP, UNFPA, UNICEF, WHO, AUSAID, DFID, JICA, GTZ and the German Development Bank (KfW). UNFPA and USAID work very closely in the family planning program, with UNFPA taking a greater role in Ministry of Health data management and contraceptive procurement. KfW is co-funding the Commercial Retail Sales project that socially markets condoms, contraceptives and ORS. There has been increasing cooperation with WHO on the infectious diseases program for co-funding of workshops and collaboration on activities. The Japanese (JICA) are also interested in future collaboration on this program.

Principal Contractors, Grantees, or Agencies: USAID works with a wide network of contractors, grantees and other agencies. Our principle partners are John Snow Inc. and international NGOs including Save the Children/US, The Asia Foundation, CARE, and the Adventist Development and Relief Agency (for child survival activities); Family Health International/AIDSCAP (for the HIV/AIDS program); the Centers for Disease Control and Prevention, Environmental Health Project of Deloitte, Touche, Tohmatsu, Management Sciences for Health, International Center for Diarrheal Diseases Research/Bangladesh, and United States Pharmacopia (for the infectious diseases program); FHI/Center for Health and Population Research, CEDPA, Access to Voluntary and Safe Contraception International (AVSC), Johns Hopkins University and John Snow Inc./Family Planning Logistics Management (for family planning activities).

Selected Performance Measures:	Baseline	Actual (1998)	Actual (1999)	Target (2000)	Target (2001)	Target (2002)
Annual Couple Years of Protection for all MOH-supported services	730 (1995)	1,029	1,069	1,176	1,293	1,422
Children receiving Vitamin A supplementation on a regular basis	90% 8 districts (1999)	92% 42 districts	70% 52 districts	70% 62 districts	70% 72 districts	70% 75 districts
Children with pneumonia symptoms given appropriate treatment in intervention districts a. correct dosage of antibiotic b. third-day follow up	55% 4 districts (1995)	a. 87% b. 79% 6 districts	60% 8 districts	60% 10 districts	60% 12 districts	60% 14 districts
Condom use by persons with high-risk behaviors in target areas. L= Last use C= Consistent use a. Commercial Sex Workers b. Clients	L a. 35% b. 34% C a. 13% b. 21% (1994)	L a. 62% b. 58% C a. 33% b. 30%	L a. 55% b. 45% C a. 25% b. 30%	L a. 60% b. 55% C a. 35% b. 40%	L a. 65% b. 65% C a. 50% b. 50%	L a. 70% b. 75% C a. 50% b. 50%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Nepal
TITLE AND NUMBER: Increased Women's Empowerment, 367-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,900,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: This SO is helping women to improve their own well-being and that of their family and community by offering them an integrated package of literacy, income generating opportunities, and legal rights and advocacy training. The direct beneficiaries are the 130,000 women in 21 districts who are participants in the program. These women will become literate, learn about their legal rights and how to advocate for change, and use newly learned economic skills to increase their household incomes by creating small businesses. The indirect beneficiaries are nearly one-half million family and community members whose well-being will be improved as a result of empowering these women.

In 1995 when USAID began work on this objective, almost 80% of Nepali women could neither read nor write (1991 Nepali Census). Women work on average three hours longer per day than do men, but only 48% of rural women, compared to 70% of rural men, were reported as economically active. While the Nepali Constitution contains guarantees for women, women remain largely unaware of their human or legal rights and participate little in the democratic process. USAID's women's empowerment program provides a road map out of poverty for rural Nepali women, their families and communities.

Empowering women intrinsically ties this objective to promoting the USG interest in developing democracy. The involvement of women in political life promotes democracy and good governance. Women's increased awareness of their rights as human beings will help to reduce problems of women and girl trafficking, as well as eliminate impediments to economic growth such as unchecked population increases. Women's increased involvement in economic life supports

broad-based economic growth for the country as a whole with long-term economic impact.

Key results: The program is providing: 1) more than 120,000 women with literacy skills; 2) more than 108,000 women with legal rights awareness and advocacy skills; 3) more than 101,000 women with access to savings and credit services; and 4) 81,000 women with the business skills to increase their contributions to household income.

Performance and Prospects: Performance over the past year has exceeded targets. Though the program targeted 100,000 women to receive all three interventions, grassroots enthusiasm for the program shot the number of participating women above 130,000, and the number of local implementing partners to 245. After less than one year of field implementation (started mid-December 1998), externally collected data demonstrated that the program has had a measurable impact on all three targeted dimensions of empowerment. Women participants: i) talk more with their husbands about key household decisions, and have more confidence in taking decisions themselves; ii) invest more income in savings and productive endeavors, in order to generate income for future well-being; and iii) undertake more collective actions in their immediate villages and are beginning to interact in the broader community. An external assessment concluded that the integrated WEP package is having early impact on the behavioral change in families and communities. This attests to the potential of this powerful set of interventions, with great promise for individual, community, and national development. The GON has recognized the relevance and success of USAID's women's empowerment program and is working to establish their own program based on the WEP model.

130,000 women have completed empowerment literacy training, the first step of the program. 80,000 women are now in the post-literacy legal rights training which provides the women with an understanding of their basic human rights and the skills to advocate for social change. This component of the program includes a unit on trafficking of women and children. By raising community awareness of this issue, WEP is contributing to the mission's bilateral efforts against trafficking and the regional anti-trafficking program.

50,000 women are learning the rules and practices associated with establishing group savings and loan programs, on the way to becoming strong village banks and cooperatives. Village banks are informal community based savings and credit organizations (CBSCOs) managed by the women themselves. The banks are supervised by NGOs that also function as go-betweens that link them to larger sources of credit.

Two other organizations, Save the Children and the Canadian Center for International Studies and Cooperation (CECI), continue to implement supportive economic opportunity activities. These activities are increasing the outreach and sustainability of NGO Grameen banks in Nepal, federating small savings and credit groups of women into sustainable cooperatives, and are supporting profitable microenterprises. At the national level, a Center for Microfinance has been established with USAID funding to promote best practice microfinance through training, research and seminars, donor coordination and policy reform on financial intermediation.

Possible Adjustments to Plans: Given the strong initial impact of this program, USAID will ensure that the current activities are completed as planned by Sept. 2001. Some expenditures are expected in 2002. A completed program will provide a replicable model for future programs and a tested basis for synergies between the SOs.

Other Donors Programs: USAID coordinates the donor group on gender issues. Participating members of this group are the UN (UNDP, UNICEF, WHO, FAO), the World Bank and the Asian Development Bank, DFID, DANIDA, GTZ, CIDA, SNV, SDC and FINIDA.

Principal Contractors, Grantees, or Agencies: Current grantees are Pact, TAF, Save the Children, and CECI.

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Women who are literate at a basic level (cumulative, in SO3-sponsored program)	0 (1994)	456,000	545,000	n/a	n/a
Women who become active members of savings and credit groups (cumulative)	11,037 (1996)	88,000	101,000	120,000	n/a
Women saving and credit group members who begin or expand a microenterprise (cumulative)	5,600 (1998)	13,000	20,000	48,000	81,000
Women who know their basic legal rights (cumulative)	300 (1994)	86,000	100,000	145,000	190,000

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Nepal **TITLE AND NUMBER:** Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower, 367-004 **STATUS:** Continuing **PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** $1,200,000 DA **PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,500,000 DA **INITIAL OBLIGATION:** FY 1998 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Nepal's tremendous hydropower potential, believed to be over 80,000 Megawatts (MW), provides the most promising economic growth opportunity for the country and a source of clean energy for the region. This program is designed to help the GON improve the policies and procedures for hydropower investment and to strengthen the capacity of Nepal's lead institution for promoting private investment in hydropower -- the Electricity Development Center. Besides encouraging investments, the program will strengthen local capabilities to ensure that investments are environmentally and socially sound. Program results to date are laying the foundation for continued improvements in the policy and regulatory framework for private development of Nepal's hydropower potential.

This special objective supports the U.S.G. goals of reduced global warming and a sustainable world environment. Hydropower development provides a clean, renewable, and environmentally friendly source of power to an energy hungry region while promoting U.S. business. At the same time, hydropower development will reduce Nepal's dependence on foreign donors, improve the quality of life in Nepal, and strengthen regional cooperation.

Currently, fewer than 15% of Nepal's 23 million people have electricity and Nepal currently cannot meet even its relatively low peak electricity demand of 308 MW. Nepal's demand for power is outstripping supply by more than 30 MW (8.3%) per year, and the domestic energy demand is expected to nearly double by 2005. India is a good potential market for Nepal's excess hydropower as it is experiencing critical energy shortages and is dependent upon environmentally unsound means of generating power.

Key Results: Two key results will indicate that this objective is been achieved: 1) the number of private sector companies progressing towards hydropower development will increase from 2 (1997) to 5 in 2001; and 2) strengthened local capabilities so that private financial commitments for environmentally and socially sound hydropower investment increase from $238 million (1997) to $475 million in 2001.

Performance and Prospects: To help Nepal tap its tremendous potential for private sector investment in hydropower development, USAID provides training and technical assistance to the GON's Electricity Development Center to 1) improve the "one window" facility for investment; 2) monitor investor compliance with social and environmental mitigation requirements; 3) increase use of competitive contracting procedures; and 4) improve Nepal's capacity to negotiate and sign equitable power purchase agreements and power supply contracts with international and local private power developers.

For several years, USAID has been playing a critical role in helping Nepal develop an investment environment which has been able to attract several hundred million dollars of private and other donor investments in hydropower development. (In the single largest American investment in Nepal, $95 million was invested by Panda Energy International, Inc. of Texas and Harza Engineering of Chicago in the Bhote Koshi Project.) Recognizing that continued assistance was needed in this sector to build on prior USG investments, USAID signed a three-year $4.3 million Hydropower Special Objective Agreement with the GON in December 1997.

To bolster environmental and social soundness of hydropower investment, USAID is strengthening local capability to conduct social and environmental impact assessments. The number of public hearings for hydropower projects conducted with local stakeholders and NGOs increased from four to nine during the same period reflecting more rigorous environmental and social impact assessments being conducted with USAID assistance.

Implementation progress continues to be robust despite minor setbacks resulting from the frequent changes in government and delays in approval of the World Bank's new Power Development Fund (PDF). Nevertheless, several important milestones were achieved in the last 17 months. These include commitments by three more Independent Power Producers (IPPs) for projects valued at $65 million, bringing the total private investments to over $303 million to date. The program encourages more public hearings in the investment process thereby improving transparency and assuring that needs of local residents are heard and addressed.

USAID also supports a U.S. Energy Association (USEA) partnership program through which USEA will help U.S. utility companies develop long-term cooperative relationships with the Nepal Electricity Authority and in the future with Nepal's

first private utility company. This will promote the transfer of the U.S. energy industry's best technologies to the Nepali utilities as well as provide long-term business opportunities to U.S. companies.

Possible Adjustments to Plans: The Mission is proposing to convert the hydropower development program from a special objective to a strategic objective. This will address the long-term energy needs of Nepal as well as support the South Asian Regional Initiative on Energy (SARI/E) which will be launched in FY 2000. Regional cooperation and trade in clean energy offers great potential for advancing sustainable economic development in South Asia, and significant investment opportunities for domestic and U.S. private companies. It will also address the issues of global warming through clean energy exports from Nepal to the polluting regions of South Asia. A critical assumption of SARIE is the continuation of the bilateral energy programs which will address the issues of energy sector reforms, institutional strengthening and regulatory frameworks.

0ther Donor Programs: USAlD has participated substantively in discussions with the World Bank and the GON regarding the World Bank's new Power Development Fund (PDF) which will be in place by 2001. USAID consultants will assist the GON in completing the implementation guidelines for the PDF, the model Request for Qualifications and other PDF design documents. The PDF and the USAID program will be mutually supportive in the development of hydropower in Nepal. The PDF will provide $175 million in funds -- $100 million to leverage private investments at an expected ratio of 3:1, and $75 million to improve Nepal's power transmission and distribution system. The Asian Development Bank is proposing to complement this effort by funding transmission, distribution and rural electrification schemes. NORAD (Norwegian Aid), the United Nations Development Program and GTZ (German Aid) are addressing off-grid electrification by implementing micro-hydro projects.

Principal Contractors, Grantees, or Agencies: Current partners are the Ministry of Water Resources (Electricity Development Center), International Resources Group, Ltd., and the United States Energy Association (USEA).

Selected Performance Measures:	**Baseline**	**Actual (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**	**Target (2002)**
Private Financial Commitments for Hydropower Project Development (Millions of US$)	238	278	325	400	475	550
Private Sector Projects Progressing Towards Hydropower Investments (Cumulative Number) a) Survey license issued b) Financial closure	a) 2 b) 2	a) 5 b) 2	a) 4 b) 3	a) 5 b) 4	a) 6 b) 5	a) 7 b) 6
Number of Environmental/Social Impact Assessments for Hydropower Proposals	2	3	4	5	6	7
Number of Public Hearings for Hydropower Projects Conducted with Local Stakeholders and NGOs	4	5	7	9	11	12

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: Nepal			
Title and Number: Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products, 367-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	34,291 DA	21,148 DA	13,143 DA
	400 CSD	46 CSD	354 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,000 DA	4,022 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	35,291 DA	25,170 DA	10,121 DA
	400 CSD	46 CSD	354 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	300 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**300 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**1,000 DA**	**0** DA	**36,591** DA
	0 CSD	**0** CSD	**400** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Nepal			
Title and Number: Reduced Fertility and Improved Maternal and Child Health, 367-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	32,703 DA	19,988 DA	12,715 DA
	17,079 CSD	7,377 CSD	9,702 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	7,749 DA	8,302 DA	
	6,710 CSD	9,572 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	40,452 DA	28,290 DA	12,162 DA
	23,789 CSD	16,949 CSD	6,840 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	6,500 DA		
	7,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**6,500 DA**		
	7,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**8,500 DA**	**35,000** DA	**90,452** DA
	8,250 CSD	**36,000** CSD	**75,039** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Nepal			
Title and Number: Increased Women's Empowerment, 367-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	8,250 DA	3,553 DA	4,697 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	749 DA	2,811 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	8,999 DA	6,364 DA	2,635 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,900 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,900 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**10,899** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Nepal			
Title/Number: Increased Private Sector Participation & Investment in Environmentally & Socially Sound Hydropower, 367-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	900 DA	188 DA	712 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,300 DA	768 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	2,200 DA	956 DA	1,244 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,200 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,200 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**2,500 DA**	**6,000** DA	**11,900** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

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The United States Agency for International Development

Nepal

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	15,600	10,624	9,900	12,000
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	11,200	6,410	7,000	8,250
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	642	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**27,442**	**17,034**	**16,900**	**20,250**
Operating Expenses	1,920	2,108	2,200	2,350
Trust Funds	0	0	0	0
Total Operating Costs	**1,920**	**2,108**	**2,200**	**2,350**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	7	8	8	8
Other U.S. Citizen	3	2	2	2
FSN/TCN	35	38	31	31

Subtotal OE Funded	**45**	**48**	**41**	**41**
Program Funded*				
U.S. Citizen	2	1	2	2
FSN/TCN	3	4	4	4
Subtotal Program Funded	**5**	**5**	**6**	**6**
Other				
TAACS	0	1	1	1
Fellows	2	2	2	2
IDIs/NEPs	0	0	0	0
Subtotal Other	**2**	**3**	**3**	**3**
Total Work Force	**52**	**56**	**50**	**50**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
367-001 Increased Sustainable Production and Sales of Forest and High-Value Agricultural Products							
- DA	500	0	500	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
367-002 Reduced Fertility and Improved Maternal and Child Health							
- DA	0	8,500	0	0	0	0	8,500
- DFA	0	0	0	0	0	0	0
- CSD	0	8,250	0	0	0	0	8,250
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
367-004 Increased Private Sector Participation and Investment in Environmentally and Socially Sound Hydropower							

- DA	0	0	2,500	0	0	0	2,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	500	8,500	3,000	0	0	0	12,000
- DFA	0	0	0	0	0	0	0
- CSD	0	8,250	0	0	0	0	8,250
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Joanne T. Hale

The United States Agency for International Development

PAKISTAN

Development Challenge

FY2001 Program / Activity & Budget Information

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Introduction

Situated in South Asia between Afghanistan and Iran on the west, and India on the east, Pakistan is both a participant and a neighbor in one of the most politically sensitive-and economically underdeveloped-regions of the world. It is home to some 135 million persons residing in an area about twice the size of California. Although it has potential, Pakistan's economy remains impoverished. Only a recent Paris Club rescheduling of Pakistan's national debt has maintained national budgetary solvency. Pakistan's challenges at home, in the region, and in the world have been compounded by its testing of nuclear devices in May 1998 (in response to similar testing by India) and a military coup in October 1999.

For the past few years, the U.S.G. has sought a broader agenda with South Asia, primarily on efforts that enhance stability in a volatile region. Counter-terrorism, counter-narcotics, non-proliferation of weapons of mass destruction, economic reform, and improvement of human rights (especially the rights of women and girls) are central themes in the U.S.G. agenda. U.S. foreign policy objectives in Pakistan encompass these themes, encourage responsible resumption of political and economic dialogue between Pakistan and India, and hold the military's new "National Reconstruction Bureau" to its commitment of returning the country to civilian democratic rule within a scheduled timeframe. Importantly, Pakistan is key to the resolution of these U.S.G. themes and issues with Afghanistan and the Taliban.

USAID does not have a presence in Pakistan, but makes available modest assistance under U.S. legal provisions that allow assistance to, and through, non-governmental organizations (NGOs), for humanitarian purposes. USAID's Pakistan NGO Initiative (PNI) was launched by Vice President Gore (Cairo, September 1994) and then extended by Secretary of State Albright (Pakistan, November 1997); family planning and the rights of women and girls were strong emphases in these USG commitments.

The Development Challenge

Pakistan has some of the lowest social indicators in a region chronically poor by world standards. Women and girls are especially deprived. Cultural restraints severely limit economic opportunities for women, and limit their ability to access social services. Fully 76% of Pakistan's total adult female population is illiterate. The combined school enrollment for both boys and girls at all levels of education is only 41% of the total group, and only half of those are girls. Only 45% of the population has access to health services; malnourished children comprise 38% of the total population; and the under-5 mortality rate is 136 per 1,000 live births. With a population growth rate of 2.6%, a fertility rate of 5.2, and contraceptive prevalence rates at less than 20%, Pakistan will be one of the world's five most-populous countries within the next generation.

Pakistan's average annual per capita income is about $500; though low, even this figure is skewed by higher incomes in urban areas. Per capita income levels in southern and far northern Pakistan are much lower, and about half of the total population is below the poverty line. Accountability and transparency in operations are issues at all levels of government. Although NGOs in Pakistan are often managerially weak, and can suffer from lack of support or outright suspicion, they are generally recognized as a needed, increasingly useful and significant part of Pakistan's development.

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Pakistan

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID helps address these and other basic human needs with funding through the PNI to two U.S. NGOs resident in Pakistan, The Asia Foundation (TAF) and the Aga Khan Foundation (AKF). They, in turn, work with Pakistan NGO partners. Beneficiaries are Pakistan's rural and urban poor, primarily women and girls.

FY 2001 is the final year of funding for TAF and AKF and, through them, their local NGO partners in Pakistan. The funding will meet and bring to conclusion the USG life-of-program funding commitment to these NGOs and their beneficiaries, and allow achievement of their performance targets in geographical areas targeted by USAID assistance.

ACTIVITY DATA SHEET

PROGRAM: Pakistan
TITLE AND NUMBER: Pakistan NGO Initiative, 391-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $3,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,205,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: The Pakistan NGO Initiative (PNI) accesses and delivers improved social services to the poor, especially to women and girls. PNI works with, and through, NGOs on the following: 1) basic education and community-based learning, 2) literacy and skills development, 3) reproductive health (including family planning), 4) maternal and child health care, 5) income generating activities, 6) local NGO and community-based organization (CBO) capacity building, and 7) policy advocacy at the national, provincial, and local levels.

The beneficiaries of USAID assistance are the rural and urban poor, especially women and girls, primarily in two of Pakistan's four provinces: Sindh Province in the south, and the Northwest Frontier Province in the north. Approximately 80 local NGOs and their target populations are benefitting directly from PNI funding and technical assistance. All community members indirectly benefit from activities that create and strengthen community-based development organizations and their links to local, provincial and national government.

Key Results: Expected results in targeted geographical areas include: 1) increased percentage of girls attending and completing primary school in the rural areas; 2) greater influence of women in household decision making; 3) increased access by couples to three or more modern methods of contraception; 4) increased number of women with incomes of more than Rs.1000/year; and 5) increased number of NGOs and CBOs formally engaged in networking for social services delivery and policy change.

Performance and Prospects: PNI had formal evaluations in 1997 and 1999. It is doing well, and has proven to be an effective framework, both for providing humanitarian assistance to needy, targeted groups and geograpical areas, and for keeping the U.S. engaged with a central player in South Asia's regional development and stability. PNI is helping build a stronger civil society, while improving the ability of NGOs to deliver services more effectively through CBOs.

PNI has enabled NGOs and CBOs to work through "webs" or "clusters" to maximize impact. Women's empowerment has been a central theme and, as a result, more women are becoming active participants in household decision-making as they become more literate and healthy, contribute to household income, and become more aware of their rights.

TAF estimates that more than 1,000 teachers and 9,000 students have directly benefitted from their programs. And with their local partners, TAF has developed a reproductive health counseling methodology with accompanying educational cards and cassette tapes. In FY 99, TAF began formation of both provincial and national health networks to promote and support use of the counseling methodology and materials. In FY 99, AKF's Urban Health Program worked with provincial and national Polio Week activities, setting up immunization sub-centers, supplying vaccines and maintaining records. Under AKF's new micro-finance program, some 2,000 women have received small loans from a network of 14 local NGOs and CBOs.

Possible Adjustments to Plans: None.

Other Donor Programs: PNI operates independently of the Government of Pakistan (GOP), and is being coordinated with other major donors such as the Asian Development Bank, the World Health Organization (WHO), the United Nations Children's Fund (UNICEF), Canadian aid, and the European Union. All donor programs are focused on Pakistan's priority needs as defined in its World Bank-supported national Social Action Plan (SAP). SAP encourages NGO and private sector participation in the delivery of social services. Thus, PNI highly complements other donor programs and national priorities.

Principal Contractors, Grantees or Agencies: The Asia Foundation, the Aga Khan Foundation U.S.A., and local NGOs and CBOs in Pakistan.

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Pakistan			
Title and Number: Pakistan NGO Initiative, 391-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,000 ESF	0 ESF	2,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	100 DA	15 DA	
	550 CSD	83 CSD	
	1,645 ESF	1,800 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	100 DA	15 DA	85 DA
	550 CSD	83 CSD	468 CSD
	3,645 ESF	1,800 ESF	1,845 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	250 CSD		
	250 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	3,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	250 CSD		
	3,250 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**100** DA
	0 CSD	**0** CSD	**800** CSD
	2,205 ESF	**0** ESF	**9,100** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

The United States Agency for International Development

Pakistan

Summary Tables

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Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance [1]	0	100	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	800	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds [2]	3,000	250	3,000	2,205
P.L. 480 Title II	6,473	4,532	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**9,473**	**5,682**	**3,000**	**2,205**
Operating Expenses	0	0	0	0
Trust Funds	19	5	5	5
Total Operating Costs	**19**	**5**	**5**	**5**

[1] FY 99 Development Assistance excludes $2.9 M in prior year recoveries for litigation settlement

[2] FY 99 Economic Support Funds exludes $16 K in prior year recoveries for litigation settlement

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0

Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
391-001 Pakistan NGO Initiative							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	2,205	0	0	0	0	0	2,205
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	2,205	0	0	0	0	0	2,205

- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Patricia K. Buckles

The United States Agency for International Development

PHILIPPINES

Development Challenge

Other Donors

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Introduction

USAID's assistance to the Philippines has played a prominent role in achieving the United States' goals of trade expansion and financial stability in East Asia. USAID/Philippines' bilateral program, in collaboration with USAID's regional "Accelerating Economic Recovery in Asia" (AERA) program, supports the Government of the Philippines' (GOP) efforts to further liberalize trade and strengthen financial sector governance. The synergy of USAID's bilateral program with AERA has been especially notable in strengthening banking supervision and in the anticorruption campaign. This support has broad impacts through the Philippines' more informed participation in regional fora, the Association of Southeast Asian Nations (ASEAN) and the Asia-Pacific Economic Cooperation, contributing to the overall liberalization trend in the region. Liberalization also offers the prospect of broader access to the Philippine domestic market of 73 million people and the possibility of creating more export-oriented jobs in America. USAID assistance will play a critical role in achieving these goals of improving access and fostering growth by promoting greater financial market stability, enhancing economic competitiveness, improving economic governance, fostering broad-based judicial reform, accelerating infrastructure development, encouraging the adoption of stronger labor standards in the manufacturing sector (to "level up" the living standards of working families), and focusing increased attention on the economic consequences of a population growth rate that is one of the highest in Asia, and of unsustainable natural resource use.

USAID seeks to revitalize the Philippine economy and transform governance to accelerate sustainable growth. USAID/Philippines has adopted an approach that is solidly rooted in a sound understanding of USAID's comparative advantage, builds on potentials for synergy within the Mission's portfolio and takes advantage of opportunities for increased collaboration with the GOP and other donors. USAID's program promises to improve the quality of Philippine life, while strongly supporting broader U.S. interests in the Philippines. Broader U.S. interests, as articulated in the Mission Performance Plan, that are supported by the USAID program include: (a) encouraging an open trade and investment regime; (b) promoting U.S. exports and investment; (c) supporting economic development that fosters equitable growth and increased economic opportunity; (d) strengthening constitutional democracy and enhancing the Philippines' role as the region's hub for the promotion of democracy and human rights; (e) alleviating the suffering of those affected by crises and social marginalization; (f) reducing Philippine environmental degradation, promoting increased energy efficiency and encouraging greater Philippine support for U.S. environmental objectives in international fora; (g) reducing the fertility rate; (h) reducing the threat posed by HIV/AIDS and other infectious diseases; and (i) fostering ties to the Philippine government and civil society that provide access to information and can exert influence to promote U.S. interests. Thus, USAID assistance to the Philippines directly supports the stability and progress of one of the U.S. Government's most trusted allies in this rapidly changing part of the world.

The Development Challenge

While the Philippines has come through the recent Asian financial crisis and a severe drought with limited adverse

effects and is now growing again, deeply ingrained obstacles to sustainable growth remain. The persistence and severity of these obstacles is highlighted by the fact that Philippine economic growth has lagged behind most Asian neighbors over the past 30 years. Growth has not only lagged behind the Asian "tigers," but also behind less advanced economies of the region. For example, 1997 per capita income (measured in terms of purchasing power parity) in the Philippines was marginally higher than that of economically troubled Indonesia ($3,520 vs. $3,490). However, the change in per capita income between 1975 and 1997 (measured in 1987 dollars) in the Philippines was only 15% compared to Indonesia's 417%. In East Asia, only Burma, North Korea, and the economies of Indochina have performed more poorly. Ironically, while the Philippines has lagged economically, its democratic system has demonstrated vibrancy and resilience. The failure of the Philippines to more effectively capitalize on its democratic system is the result of several deeply ingrained obstacles to growth, including:

- High fertility rates and consequent rapid population growth (2.3% per year), and very high rates of infectious diseases such as tuberculosis;
- Profound systemic weaknesses that have allowed corruption to flourish, inhibited development of fully competitive markets, and limited government capacity to raise revenue and make critical investments in human resources and infrastructure; and
- The lack of technical skills, financial capacity, and political will to protect the natural environment, which in turn threatens basic food security and globally significant biological diversity, promises to greatly accelerate rural to urban migration over the short-term (thereby placing even greater stress on the stock of inadequate infrastructure), and could make large parts of the Philippines virtually uninhabitable over the long-term.

While the development problems posed by the Philippines' high fertility rate have been recognized for some time, the critical significance of the latter two problems was not fully appreciated until the onset of the Asian financial crisis. USAID's current program consists of a series highly focused and inter-connected programs to combat all three of these obstacles to development.

Other Donors

At the 1999 Consultative Group meeting, donors pledged $4.52 billion for development assistance to the Philippines. Based on actual 1998 levels, the United States is the fifth largest donor, after Japan, the World Bank (WB), Asian Development Bank (ADB), and Australia (AusAID). Nevertheless, USAID and the U.S. government continue to play a critical role in Philippine development and policy change because of USAID's experience, expertise, and long established relationships with all of the key players in the GOP and the donor community. Further, USAID collaborates with many multilateral and other bilateral donors in a variety of forums on a daily basis. In FY 2000, USAID/Philippines expects to provide $28.9 million in grant assistance.

Philippines

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID intends to maintain its core institutional capacities in economic growth, environment, population and health, and democracy while focusing this capacity more narrowly on the obstacles to sustainable growth identified above. In particular, the Mission intends to end its stand-alone democracy programs and instead, integrate efforts to strengthen democracy and governance into all of its economic growth, health and environment activities. The Philippines has already achieved a greater degree of democratization than many other developing countries, and USAID democracy professionals consider the Philippines one of the Agency's success stories. The Mission intends to capitalize on its long experience and expertise in local governance and citizen participation in the Philippines by integrating best practices in these areas into the entire Mission program portfolio. In addition, the Mission will phase out programs specifically targeted at the island of Mindanao and instead focus on programs capable of producing national-level impacts.

USAID's economic development program in Mindanao has been a model of success and achievement in an area beset with poverty and civil strife. The Growth with Equity in Mindanao (GEM) activity in particular has received worldwide attention. As a result of the success of GEM and other USAID programs, the gap between living standards on Mindanao and other areas of the Philippines has been significantly narrowed, and the prospects of a return to past inequities have been minimized. USAID now intends to focus its programming on activities that are national in scope, confident in the knowledge that the partnerships that it has established with the GOP, other donors and civil society organizations in Mindanao will continue to improve living standards on the island. Furthermore, USAID will extend initiatives pioneered by USAID in Mindanao, especially in microfinance, into other regions, creating a sustained legacy of our Mindanao program.

The Mission will continue to implement its high priority economic policy assistance activities, focusing on the areas of infrastructure privatization and regulatory policy, international trade and investment policy, and competition legislation and policy. Learning from the Asian financial crisis, USAID will strengthen and deepen economic governance activities that promote transparency and combat corruption. Program activities will seek to help the Philippines keep pace and surpass its neighbors as more and more of them adopt reforms that promise to make them more competitive in the world marketplace. Mission activities will help the Philippines to implement rules-based trading associated with the World Trade Organization (WTO), better exploit the potentials of trading networks in supply chains, foster the more productive use of information technology, and overcome problems associated with trade-related human development issues (such as labor and environmental standards) which promise to complicate relationships between trading partners.

Since experience has shown the delivery of health services by the central government has not produced adequate results, the Mission has shifted the focus of its population program to strengthening the capacity of the private sector and local governments to deliver family health and reproductive health services. USAID will foster the development and sustainability of the Friendly Care Foundation Inc. (FCFI), a private-sector non-profit foundation. FCFI will provide financially sustainable, demand-driven family planning, family health, and reproductive health services to lower-middle and middle-income groups. USAID has redirected its public-sector population and health activities toward the poorest sector of the population and is concentrating on improving the quality of service delivery at the local level. The program will promote health sector reform by focusing on the improvement of district health administration, local procurement, drug distribution, and hospital management. In addition, the program will address issues related to fiscal autonomy, and the expansion and augmentation of the social insurance system. The program to combat HIV/AIDS and infectious diseases will focus on surveillance and education activities at the local level.

In environment, USAID will build on its accumulated knowledge and experience to develop policies and tools needed for

integrated watershed management. This represents a natural and incremental evolution of existing programs in coastal resources management, forest management, and industrial pollution, and is a carefully targeted response that will permit USAID to continue to promote the development of technical skills and political will to protect the natural environment in the face of reduced funding levels. USAID will continue efforts to mitigate greenhouse gases by promoting the use of cleaner fuels, energy efficiency, and encouraging the adoption of improved policies, in particular, legislation to restructure the power sector and privatize the National Power Corporation (NPC). Given that recent analyses indicate the Philippine transportation sector now produces as much atmospheric carbon as the power sector, USAID intends to initiate work to mitigate mobile emissions in FY 2001 if funding becomes available.

In addition to the above program, USAID/Philippines provides technical, financial, contracting, administrative, and legal support services to various USAID presence and non-presence programs in the East and Southeast Asia region, including Mongolia, Vietnam, Thailand, Cambodia, Laos, and Japan. The Mission also supports the regional offices of the Regional Inspector General, the Office of Foreign Disaster Assistance, and the U.S.-Asia Environmental Partnership, which are located in Manila and the Office of Transition Initiative office in southern Philippines.

ACTIVITY DATA SHEET

PROGRAM: Philippines
TITLE AND NUMBER: Accelerate the Economic Transformation of Mindanao, 492-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $2,500,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: Mindanao Island has more than a third of the landmass of the Philippines and is home to one-fourth of the country's population. Indicators show the quality of life in Mindanao is well below the national average. Nevertheless, Mindanao has the potential for substantial and accelerated economic growth. To expand participation of lower-income groups in productive enterprises, USAID is implementing an aggressive, broad-ranging enterprise development program to facilitate maximum participation of small farmers, fishers, and small and microentrepreneurs in the economy. This economic transformation requires an improved trade and investment environment. Thus, USAID is helping Mindanao's leaders identify and modify governmental policies to increase prospects for the island's continued economic progress. The program helps leaders assure appropriate levels of public infrastructure funding and facilitate private investment. USAID also helps banks and credit unions to develop their capacity to profitably provide banking services to small and microenterprises. To promote equity and solidify the recently concluded peace agreement between the government and the Muslim community, USAID is intensifying assistance to Mindanao's Muslims with transition programs for ex-combatants. The program contributes directly to the agency's economic growth objectives. The program helps implement directly the following FY 1999-2001 U.S. Mission Performance Plan goals: (a) promote Philippine economic development that facilitates equitable growth and increased economic opportunity; (b) reflect humanitarian values by alleviating suffering during crises and by assisting those afflicted by social marginalization; and (c) foster ties to Philippine institutions to promote U.S. interests.

Key Results: Due to the Asian financial crisis and adverse weather conditions (i.e., El Niño), progress was mixed during 1998. The total value of higher value products (i.e., all manufactured goods, all processed agricultural goods, all agricultural products except rice, corn, and fresh coconut) shipped from Mindanao to either foreign or domestic markets reached only 70% of the target of $4.4 billion. Investments generated (from USAID-supported investment promotion/acquisition efforts) were only some 30% of target. The number of marginal farm and fishing families initiating commercial-level production of more lucrative products as a result of USAID-supported activities exceeded target by a substantial margin. While 10,600 families were targeted, more than 13,000 initiated production, including 2,200 former Moro National Liberation Front (MNLF) combatants through the Emergency Livelihood Assistance Program (ELAP). The number of microenterprises gaining access to bank financial services exceeded the target. While it had been hoped that a total of nine banks would have added 5,000 microenterprise clients in 1998, the number of new microenterprise clients of these banks grew by 5,400, more than half of which are women.

Performance and Prospects: Good progress has been made toward the activity objective since USAID began focusing economic growth resources on Mindanao in the early 1990s, and especially since the GEM program was initiated in 1995. GEM has promoted and facilitated trade and investment with significant results. The period has seen sustained increases in

annual investment levels, number of jobs, value of exports, and production of higher value products. The percentage of people living below the poverty line dropped from 56% in the early 1990s to 50% in 1997. There has been a major expansion of public infrastructure. A peace agreement reached with the principal Muslim separatist organization on the island has improved economic prospects. USAID has taken the lead in devising new programs to help former combatants learn to make a living. USAID, in partnership with the GOP and other major donors, has contributed to all those developments. However, two critical assumptions made with respect to the achievement of performance targets in 1995 have not been borne out: 1) that there would be sustained economic growth at the national level; and 2) that there would not be any more than the "normal" level of natural disasters. The impact of the Asian financial crisis and El Niño, both of which hit Mindanao in 1997 and lasted into 1999, invalidated these assumptions.

Performance was mixed in 1998, and the economy so far has not recovered fully from the financial crisis. However, estimates for 1999 for the four indicators show this year's targets are being met. The total value of higher value products (i.e., all manufactured goods, all processed agricultural goods, all agricultural products except rice, corn, and fresh coconut) shipped from Mindanao to either foreign or domestic markets is estimated to amount to $3.1 billion, approximating the revised target of $3.2 billion. Investments generated (from USAID-supported investment promotion/acquisition efforts) are estimated to amount to $100-$150 million as compared with the target of $150 million. The number of marginal farm and fishing families initiating commercial-level production of more lucrative products as a result of USAID-supported activities is estimated to amount to 10,000-12,000, compared with the target of 10,600. The number of microenterprises gaining access to bank financial services estimated at 9,000 exceeds the target.

The economic rebound expected in 2000 will enable Mindanaons to benefit from the human and financial capacity USAID is helping them to develop. USAID training and market linkages have given farmers' groups (including former combatants) and microentrepreneurs the skills to seek out market opportunities. USAID has also assisted in bringing critical policy reforms, such as consolidation and market-determined pricing of government credit programs, increased access of microentrepreneurs to the formal financial sector, and lower tariff levels for essential agricultural inputs. In FY 1998, USAID initiated an innovative institutional development program for microfinance activities in the formal financial sector. USAID is expanding its transition assistance programs to Muslim ex-combatants (which were initiated in FY 1997 with funding from the Office of Transition Initiatives). More than 4,000 former combatants of the Moro MNLF have received substantial assistance in initiating and expanding agriculture or aquaculture production activities. In FY 1999, USAID/Philippines funding expanded the program with the goal of helping an additional 7,000 unemployed MNLF ex-combatants to become peaceful, productive farmers able to contribute significantly to sustaining peace in Mindanao.

During FY 2000 and FY 2001, USAID expects a significant expansion of trade and investment transactions; a major increase in the number of microenterprises accessing formal sector financial services; an additional 7000 former combatants "graduating" from the ELAP program with the skills needed to make a living from agriculture; and some 25-30 key business support organizations in Mindanao effectively providing a full range of needed services for their members and clients.

Possible Adjustment To Plans: All USAID field activities will be completed by FY 2001, but the Mission will begin to integrate the policy component of the GEM program into its economic growth strategic objective, "A More Stable and Competitive Economy (492-002)," at the end of FY 2001. The Mission will also strengthen the capability of business support organizations to enable them to continue activities after completion of the USAID program.

Other Donor Programs: Following USAID's lead, major donors all now make Mindanao a major focus. The WB has placed $30 million for the Mindanao Rural Development Program, and together with the Organization of Petroleum Exporting Countries, contributed $10 million each to the Social Fund for Mindanao. The United Nations Industrial Development Organization contributed $8.6 million for income and employment generation of small and medium enterprises and Italy has a similar activity amounting to $8 million. Japan, the WB, and the ADB focus most of their assistance on infrastructure and all coordinate with USAID in selecting projects. In the case of the WB's small infrastructure fund focused on the Muslim community, USAID collaboration is much greater. In that program, USAID supplies much of the needed engineering design work. USAID also has joined with the principal donors in a Mindanao Working Group, chaired by the United Nations Development Program (UNDP), through which donor activities are discussed and opportunities for cooperation identified.

Principal Contractors, Grantees, or Agencies: Louis Berger International Inc. is the principal contractor for the major program in Mindanao, the GEM Program, and the major GEM subprograms - ELAP, and the Special Zone of Peace and Development Accelerated Enterprise Development Program. Chemonics Inc. is the contractor for the Microenterprise Access to Banking Services - Mindanao Program. The World Council of Credit Unions supports the Credit Union Empowerment and Support Program.

Selected Performance Measures:	Baseline	Target (1998)	Actual (1998)	Target* (1999)	Target (2000)	Target (2001)
Value of high value products shipped from Mindanao (US$ Billion)	2.8 (1995)	4.4	3.1	3.2**	5.2	5.4
Families initiating commercial production of more lucrative products	9,300 (1996)	10,600	13,472	10,600	10,600	10,600
Level of USAID-facilitated private investment (US$ Million)	30 (1995)	300	88	150**	150	150
Number of microenterprises and small producers receiving financial services from formal institutions	2,000 (1995)	5,000	5,400	8,000	12,000	16,000

* Preliminary estimate for 1999 data follow:
Value of high value products shipped from Mindanao (US$ Billion) $3.1
** Targets for 1999 were revised in the last Results Review & Resource Request (R4) due to effects of the Asian financial crisis.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Philippines
TITLE AND NUMBER: A More Stable and Competitive Economy, 492-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $200,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,600,000 DA; $5,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: USAID's goal for this program is to create jobs and reduce poverty in the Philippines through a more stable, competitive economy, and to contribute to more open trade and greater financial stability in East Asia. The strategy focuses on reforms that increase openness and competition in the economy, stabilize and deepen the financial and fiscal sectors, and improve transparency and probity in economic governance. To increase openness and competition, USAID is promoting reduction of tariffs and other barriers to international trade, and increased competition in domestic industries, such as transportation and communications. To stabilize and deepen the financial and fiscal sector markets, a key priority in the wake of the financial crisis, USAID is strengthening prudential oversight in the banking sector and capital markets, and promoting institutional development in the securities markets. To improve mobilization and allocation of fiscal resources, USAID is supporting improvement of tax policy and tax administration, and rationalization of intergovernmental finance. To improve economic governance, USAID is helping to enhance transparency of economic institutions and reform commercial law, and is pursuing an anticorruption program in tax administration, customs, and procurement reform. The program contributes directly to the agency's economic growth objectives. The program helps implement directly the following FY 1999-2001 U.S. Mission Performance Plan goals: (a) maintain Philippine support for an open trade and investment regime despite the financial crisis and promoting market reforms that strengthen economic growth and provide opportunities for American businesses and workers; (b) promote Philippine economic development that facilitates equitable growth and increased economic opportunity; and (c) foster ties to Philippine institutions to promote U.S. interests.

Key Results: Overall performance in 1998 was on track, as two of the four key indicators exceeded targets, while the other two fell below target mainly as a result of the Asian financial crisis. Due to a doubling of interest rates and drastic reductions in international loans, the volatile ratio of Gross Domestic Capital Formation to Gross Domestic Product (GDP) fell from 26.6 % in 1997 to 22.1 % in 1998. The slowdown in growth and a 17% decline in imports reduced tax revenues from 16.8% of GDP to 15.6%. However, exports continued to rise and Philippine banks and firms continued to service debts normally. Thus the trade openness indicator continued to be substantially better than targeted. Despite some upward adjustments in tariffs, the GOP simplified the tariff schedule and reduced the estimated effective protection rate from 21.3% to 19%, also bettering the target for 1998. In 1999, performance vis-à-vis the indicators is expected to continue the pattern of 1998: trade protection will continue to shrink while investment will recover only slightly from Asian financial crisis lows, and tax effort will continue to reflect lack of progress in reforming tax administration.

Performance and Prospects: After a generation of lagging behind its newly industrializing neighbors, the Philippines achieved political and economic stability in the early 1990s. Policy makers, businessmen, and ordinary citizens began to see clear demonstrations of the benefits of openness to international trade and increased domestic competition. Evidence may be found in the phenomenal export growth of assembled electronics products; the opening to private investment of electrical power generation; the opening of telephone service to competition; and reduction in poverty incidence by approximately 1% of the population per year between 1991 and 1997. The 1997-99 Asian financial crisis and El Niño, however, brought a pause in Philippine growth. The transition to a new GOP administration that occurred during this pause led to re-examining the benefits of liberalization. Fortunately, the Philippines has not reversed its steady course toward trade and investment liberalization. While economic progress has slackened, the Philippines has not reversed its course. First semester performance for 1999 continued to show the pattern seen in 1998: (1) trade protection continued to shrink as hoped, while (2) volatile investment recovered only slightly from Asian financial crisis lows, and (3) tax effort continued to reflect lack of progress in reforming tax administration.

To further increase openness and competition, USAID continues to support compliance with WTO commitments. Our assistance helped improve anti-dumping and countervailing duty laws in 1999 and will support the GOP's regular, triennial revision of its tariff-reduction program in 2000. Policy advocacy supported by USAID contributed to the partially opening of the retail-services sector to foreign investment in late 1999. In telecommunications, USAID is helping develop regulations for interconnection, which should be adopted in 2000. Assistance to open aviation and port services to greater competition should bear fruit in 2000 and 2001. USAID will help expand the use of competitive tendering for infrastructure projects through the revolving loan facility established in 1999. Legislation for intellectual property rights will continue to advance, and USAID will support analysis and advocacy for overall competition policy and external competitiveness. Liberalization of grain marketing is another target for 2000 or 2001.

In financial and fiscal sector strengthening, USAID's support for reform of the Securities Act should succeed in the Philippine Congress in 2000, and further direct assistance to the SEC, stock exchange, and clearing corporation will build on this success. A Presidential Order crowned USAID's assistance to National Credit Council in restructuring GOP microfinance programs in 1999. USAID will follow this policy measure with assistance to ensure sustainable and increased microenterprise access to the formal financial sector, including assistance to formulate a supervisory framework for deposit-taking cooperatives. USAID in 2000 is expanding its assistance the Central Bank for strengthening banking supervision, and will add assistance for foreign-exchange risk management. In 1999, USAID helped the Department of Finance (DOF) develop policies to create a secondary market in securitized mortgages. Assistance for redesigning financial-sector taxation will be sustained through the legislation of these reforms, expected in 2000. Adoption of a road users charge to finance private road maintenance is also expected in 2000.

To improve economic governance, USAID provided the analytical basis for reforms in inter-governmental fiscal allocations to local governments, and supported the design of a total overhaul of public procurement legislation, which will be followed up by advocacy and legislative assistance in 2000. USAID is playing a central role in mobilizing a multi-donor effort to renovate the problem-plagued Bureau of Internal Revenue. USAID also assisted in computerization of Value Added Tax (VAT) returns and in implementation of an import valuation system based on WTO-standard methods. USAID will continue to support training and reform in Customs administration in 2000 and 2001. New rules for adjudicating corporate recovery were adopted thanks to USAID's support in 1999, and assistance on implementation will continue in 2000.

Despite its high rate of poverty, the Philippines stands as a positive example of the benefits of liberalization amid the doubts and problems generated by the Asian Financial Crisis. Further, the Philippines is poised to resume growth through increased liberalization and improved economic governance.

Possible Adjustment to Plans: In response to the lessons of the Asian financial crisis, the Mission will strengthen and deepen USAID activities to improve economic governance, promote transparency, and combat corruption. By the end of FY 2001, activities that directly support institutional strengthening in support of policy implementation will be ended. This change of approach will save sufficient resources to permit USAID to continue to assist the Philippines in such areas as policy and regulatory design, legislative drafting and advocacy.

Other Donor Programs: USAID's ongoing economic policy program is closely integrated into the multi-agency effort within the U.S. Embassy, furthering objectives jointly identified with State, the U.S. Trade Representative, the Export Import Bank, the Foreign Commercial Service, the U.S. Department of Agriculture, the U.S. Treasury, the Internal Revenue Service, and the U.S. Customs Service. Core U.S. interests in the Philippines and in the East Asia region grow out of strong trade and historical ties and are central to USAID's policy program. These interests include an open environment for trade and investment, financial stability, and poverty reduction. As both a U.S. Government (USG) agency and a donor, USAID plays a unique role in supporting the structural adjustment framework of the GOP and the

multilateral donors. In response to the Asian financial crisis, the Government of Japan, the International Monetary Fund (IMF), the WB and the ADB have provided a large package of balance-of-payments financing of over $2 billion which supports the Philippines' macroeconomic and sectoral adjustment program. While these donors also supply a small amount of technical assistance, USAID is the principal single source of technical assistance for advocacy and implementation of economic policy reform financed by other donors' balance of payments assistance. Resident advisors assist the central bank and the DOF in managing funds provided by the WB for technical assistance on retirement pensions and bank supervision. USAID also financed a workshop on tax administration for the IMF and the Bureau of Internal Revenue. USAID's technical assistance is also helping the ADB design proposed grains-markets reform. In this way, USG resources provided to these multilateral facilities are also being used with greater effect. Grants from USAID also support private business and trade groups' contributions to the reform effort.

Principal Contractors, Grantees, or Agencies: USAID's activities are being implemented through contracts with the U.S. Customs Service, the U.S. Bureau of Census; Development Alternatives, Inc.; the Harvard Institute for International Development; PricewaterhouseCoopers; The Asia Foundation (TAF); the Inter-American Management Consultancy Corporation; and the Barents Group; as well as through grants to local non-government organizations (NGOs).

Selected Performance Measures:	**Baseline**	**Target (1998)**	**Actual (1998)**	**Target* (1999)**	**Target (2000)**	**Target (2001)**
Ratio of Gross Domestic Capital Formation to Gross Domestic Product (%)	24.1 (1994)	27.0	22.1	28.0	28.0	30.0
Ratio of total exports plus imports to Gross Domestic Product (%)	74.0 (1994)	86.0	104	88.0	90.0	92.0
Ratio of tax revenues to Gross Domestic Product (%)	16.0 (1994)	19.0	15.6	20.0	22.0	23.0
Effective Protection Rate	31.0 (1994)	21.0	19.0	18.0	15.0	14.0

* Preliminary estimates for 1999 data follow (first semester only):
Ratio of Domestic Capital Formation to GDP (%) 22.4
Ratio of total exports plus imports to GDP (%) 90.9
Ratio of tax revenues to GDP (%) 15.4
Effective Rate of Protection (%) 16.8

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Philippines
TITLE AND NUMBER: Reduced Fertility Rate and Improved Maternal and Child Health, 492-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $14,000,000 DA; $3,700,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $17,000,000 DA; $4,000,000 CSD
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Should the current 2.3% annual population growth rate continue into the future, the Philippines' population will double by 2030. Under this scenario, the equivalent of 58% of the current population of the United States will live on 3% of its land area. This demographic situation will have grave consequences for economic growth, social welfare, and the environment. Because the population growth rate is largely fueled by high fertility, the Mission will continue its focus on the current strategic objective to reduce the fertility rate and improve maternal and child health.

Recent experience has shown that the central government health service delivery model has not reduced the annual population growth rate as desired. The 1998 Demographic and Health Survey and independent assessments of USAID's program confirmed a lack of progress and limited effectiveness. The focus of USAID's population program over the next five years will be on building the capacity of the private sector and local governments to deliver family planning and health services. In mid-1999, USAID helped establish the Friendly Care Foundation (FCFI), a private sector foundation that will provide financially sustainable, demand-driven family health and reproductive health services to lower-middle and middle-income groups, estimated at over two-thirds of the total population.

USAID's public sector population and health activities, mainly implemented through its Local Government Performance Program (LPP), have been redirected toward the poorest sector of the population and concentrates on improving the quality of service delivery at the local level. Building on a Department of Health (DOH) reform initiative, USAID focuses on improving district health administration; local procurement and distribution of drugs; hospital management and fiscal autonomy; and an expanded and strengthened social insurance system. Both the public and private sector programs will provide accessible, high quality, affordable, and sustainable services to their clients.

These activities directly support the Agency's goal of stabilizing population growth and protecting human health as well as the FY 1999-2001 U.S. Embassy's Mission Performance Plan goal of reducing the fertility rate from 4.1 in 1993 to 3.0 in 2004. Approximately 10.9 million women and two million children under age one are the direct beneficiaries of programs supported under this strategic objective.

Key Results: During 1998, while slightly exceeding its target on high-risk births, USAID did not meet its targets for total fertility rate, infant mortality rate, and contraceptive prevalence rates (all methods and modern methods). Consequently, the program was drastically restructured in 1999. Data collected in April 1999, however, shows that there has been a significant increase in contraceptive use due to a rapid rise in the use of modern methods, mainly pills. The contraceptive prevalence rate of all methods is at 49.3% and the contraceptive prevalence rate of modern methods is at 32.4%. Both are better than the expected levels. If this rate of increase continues, replacement level fertility may be achieved within five to seven years. The percentage of high-risk births decreased in 1998 and continues to do so in 1999.

Performance and Prospects: The Mission's population and health strategic objective continues to make progress in increasing public sector provision of family planning and maternal and child health (FP/MCH) services targeted at the poor. The LPP's Matching Grants Program was started early in 1999 and has already recruited 40 of 67 municipalities with a population of 100,000 or over to implement FP/MCH interventions. Under this program, LPP will offer a package of technical assistance activities to municipalities and communities through regional and local teams. These activities will include family planning and MCH components. Population and Child Survival and Diseases Program (CSD) funds will be used to strengthen local government capability to deliver FP/MCH services and improve their quality of care. CSD funds will be used to implement activities in four key child survival areas: acute respiratory infection, child immunization, oral rehydration therapy, and micronutrients (including Vitamin A) supplementation and fortification. LPP will also support public/private sector partnerships in selected local governments, leading to an increasing share of DOH and local government funding as the share of USAID drops. The Mission also supports the Sentrong Sigla (Centers of Wellness) Program, a quality assurance program to improve health services at local health facilities. This program will ensure that the country's public facilities meet quality standards. The DOH recognized and awarded the first batch of 45 health facilities meeting quality standards in December 1999. By 2001, child survival interventions are projected to lower infant mortality rates as well as lower the percentage of births in high-risk groups.

USAID provides technical assistance to the GOP to support implementation of health reforms needed for improved public sector provision of services for the poor. The focus of this assistance is to develop outpatient benefit packages, expand coverage, and increase the share of social health insurance as a percentage of total health spending. Because the poor shoulder most of their health costs out-of-pocket, this initiative will be of great benefit to them. USAID also assists the GOP in strengthening district hospital administration, in improving the management and fiscal autonomy of public hospitals; in introducing management reforms in logistics and budgeting; and in improving drug procurement and distribution through decentralized ordering and payment.

USAID made an initial grant in August 1999 to FCFI to initiate activities. Friendly Care has hired its core personnel, developed a business plan, identified five health facilities in major metropolitan areas, and started operations in a test-marketing site. As currently planned, 190 midwife clinics now supported by USAID in the Well-Family Midwife Program and 14 private sector hospitals delivering voluntary surgical contraception services will be incorporated into the Friendly Care system. By 2001, USAID expects the number of large municipalities (at least 100,000 population) enrolled in the LPP to reach the targeted number of 67. USAID also expects FCFI to be fully operational with 154 service centers (including affiliates) providing family health and reproductive health services. Based on the 1999 Family Planning Survey, USAID is projecting an increase in the modern contraceptive prevalence rate to 34% in 2001.

Possible Adjustments to Plans: None.

Other Donor Programs: While USAID remains the largest donor to the National FP Program, other donors also made significant contributions. In 2000-2004, the United Nations Fund for Population Assistance (UNFPA) will contribute about $30 million to strengthen public and private sector reproductive health at national and local government levels and through selected NGOs. A combined WB and bilateral donor loan/grant program supports a five-year, $120 million

Women's Health and Safe Motherhood. The DOH, clearly signaling its support for family planning, increased the Family Planning Service budget by 50% in 1998 over the 1997 allocation, and has committed to 50% annual increases up to year 2000.

Principal Contractors, Grantees, or Agencies: USAID implements activities through the DOH, the Commission on Population, local governments, and nongovernment organizations (local and U.S. PVOs and private commercial sector entities) involved in the Philippine National Family Planning Program. Major contractors include Management Sciences for Health, John Snow Inc., the Futures Group, the Population Council, Association for Voluntary Surgical Contraception, John Hopkins University, Macro International, Deloitte Touche, and FCFI.

Selected Performance Measures:	**Baseline***	**Target (1998)**	**Actual (1998)**	**Target** (1999)**	**Target (2000)**	**Target (2001)**
Total Fertility Rate (TFR)	4.1 (1991)	3.5	3.7	3.6	3.5	3.4
Infant Mortality Rate (IMR)	35.0 (1990)	33.0	35.0	34.0	33.0	33.0
Contraceptive Prevalence Rate (all methods)	40.0% (1993)	50.0%	47.0%	48.0%	50.0%	51.0%
Contraceptive Prevalence Rate (modern methods)	25.2% (1993)	32.7%	28.0%	29.0%	33.0%	34.0%
Percent of births in high-risk groups	62.4% (1993)	58.0%	57.0%	56.0%	55.0%	54.0%

* Baseline data from the Demographic and Health Survey

** April 1999 survey data follow:
Contraceptive Prevalence Rate (all methods) 49.3%
Contraceptive Prevalence Rate (modern methods) 32.4%
Percent of Births in High-Risk Groups 55.7%

Targets for 2000-2001 were revised based on results of the 1999 Family Planning Survey.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Philippines **TITLE AND NUMBER:** Threat of HIV/AIDS and Selected Infectious Diseases Reduced, 492-007 **STATUS:** Continuing **PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** $3,500,000 CSD **PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $5,900,000 CSD **INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Acquired Immunodeficiency Disease Syndrome (AIDS) has become a major problem in many parts of Southeast Asia. Fortunately, the Philippines has been spared an epidemic until now, despite an active sex industry and a sizable population of injecting drug users. The country can still prevent an extensive spread of Human Immunodeficiency Virus (HIV) and sexually transmitted infections in the general population if individuals engaging in high-risk behaviors adopt risk-reducing practices. To that end, the Government of the Philippines (GOP) and USAID have designed a program to control HIV/AIDS transmission by institutionalizing public and private sector mechanisms to monitor HIV prevalence and, through education programs, encouraging behaviors among target groups that reduce individual risk of becoming infected with or transmitting sexually transmitted disease (STDs) and HIV. The HIV/AIDS program will primarily benefit individuals who engage in high-risk behaviors that significantly increase their chance of HIV/AIDS infection. The general population will also benefit from the program since increased public awareness about HIV/AIDS will prevent a rapid increase in HIV/AIDS infections, thereby protecting the health of the general public.

Infectious diseases continue to be the leading cause of morbidity and mortality in the Philippines. Prevention and control of infectious diseases of major public health importance (tuberculosis, malaria, and dengue) have become key goals for the Department of Health (DOH). In 1999, the GOP and USAID, working closely with the U.S. Centers for Disease Control (US-CDC), developed a new activity to respond to a dengue epidemic and the emergence of resistant varieties of

tuberculosis and malaria in epidemic proportions. This activity complements USAID's Global Infectious Diseases Strategy and the Mission's ongoing HIV/AIDS surveillance activities. USAID's beneficiaries under this activity are the general population of the Philippines.

Activities under this special objective directly support the FY 1999-2001 U.S. Mission Performance Plan goal of reducing the threat of HIV/AIDS and other selected infectious diseases.

Key Results: HIV prevalence rates among the target population of sex workers and drug users have remained below 3% in all of the 8 HIV sentinel surveillance sites, indicating that for now there is little threat of a major epidemic among the general population. The 3% level is critical because international experience shows that rates higher than 3% among high-risk population indicate that a more rapid spread of HIV into the general population might be occurring.

Performance and Prospects: Using funds from the Child Survival and Diseases Program Fund (CSD), USAID assists the DOH, NGOs, and other government organizations to implement a national sentinel surveillance system to monitor transmission of the disease and incidence of risk behaviors among target groups; develop and implement effective communication and behavioral change programs about AIDS prevention for target groups; and establish model sites for STD care and management. USAID also supports analysis, dissemination of survey results, and advocacy for policy and community interventions to promote STD/HIV prevention.

Survey results in April 1999 show that HIV seroprevalence rates among the sentinel groups of registered female commercial sex workers have remained below 3% in all eight surveillance sites. Survey results also show an increase in condom usage rates for both men and women in the target groups, as well as an increase in knowledge about behaviors that reduce HIV transmissions, although high levels of risk behavior continue among the injecting drug users and give cause for concern. Government-NGO educational activities on HIV/AIDS/STD have been established, including public service announcements, support for 100% condom use in entertainment establishments, and completion of a feasibility study to promote social marketing of STD drug kits. Implementing Rules and Regulations for the AIDS Law that provides for an "AIDS Watch" to carry out surveillance are in place. Efforts to address sustainability issues, especially with respect to local governments raising revenues for STD/AIDS programs and establishing benchmarks to measure progress toward institutionalization, are also being put in place. Prospects are good that HIV prevalence rates for target groups will remain well below 3% through the year 2001.

Infectious diseases are the focus of a new initiative. The DOH and the US-CDC are planning joint efforts to strengthen government capacity to identify and reduce the threat of leading infectious diseases, including multi-drug resistant strains. As with the prevention and control of HIV/AIDS, funds from the CSD account will be used to support activities to strengthen the surveillance capacity of all levels of the health system and to strengthen the capacity of local governments to prevent and control tuberculosis, dengue and malaria. Information generated by epidemiological surveillance will provide a basis for decision-making by local government officials as they allocate funds, manage and implement activities to combat tuberculosis, malaria and dengue. By 2001, USAID expects a functioning epidemiological surveillance system in selected sites, as well as a strengthened capacity of health workers to manage and prevent selected infectious diseases. The impact of these activities will be measured by the reductions in the number of cases and deaths resulting from these diseases among the target population.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID continues to be the largest contributor to the Philippine National AIDS/STD Prevention and Control Program, although other donors are now showing a high level of interest in the program. Under the US-Japan Common Agenda, USAID provides technical assistance to the HIV sentinel surveillance system, while Japan provides laboratory, office, and communications equipment. Both Japan and the Netherlands contribute STD drugs that complement USAID-supported training activities on STD syndromic case management. USAID's focus on HIV/AIDS education for high-risk groups is complemented by other donors' educational activities aimed at the general population. Both AusAID and the European Union (EU) support NGO projects to strengthen community-based responses to AIDS. The WB and UNFPA are supporting programs to diagnose and treat STDs. Various United Nations and multilateral agencies (with UNAIDS as a coordinating body) support national government activities on HIV/AIDS prevention.

Principal Contractors, Grantees, or Agencies: USAID implements the program through the Department of Health, selected local government units, local NGOs, the US-CDC, the World Health Organization, and the Program for Appropriate Technology in Health.

Selected Performance Measures:	Baseline*	Target (1998)	Actual (1998)	Target* (1999)	Target (2000)

Percent HIV seroprevalence rate among the sentinel target risk group - registered female commercial sex workers	<1.0% (1993)	<3.0%	<3.0%	<3.0%	<3.0%

*Source: Field Epidemiology Training Program - Department of Health National HIV Sentinel Surveillance Surveys.

** Actual FY 1999 data follow:
Percent HIV seroprevalence rate among the sentinel target risk group - registered female commercial sex workers <3.0%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Philippines **TITLE:** Environmental Resource Management Improved, 492-004 **STATUS:** Continuing **PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** -0- **PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $2,500,000 DA **INITIAL OBLIGATION:** FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: The Philippines is probably the richest country in the world in terms of biodiversity and unique plant and animal species per unit area. Nearly one-third of the country's 12,000 plant species are endemic (found nowhere else on earth), and its coastal waters host more than 500 of the world's 700 known corals. This wealth is under grave threat; only 30% of coral reefs, 50% of mangrove forests and 10% of old growth forests remain intact. Nowhere else on earth is habitat conservation more urgent. Managing these natural resources is even more critical now because they provide for the food security of the Filipino people. The Asian financial crisis has highlighted the fact that USAID's coastal/marine and forestry resource management activities play a key role in poverty alleviation as well as biodiversity conservation.

The new environment strategy, recently approved by USAID/Washington, calls for an integrated resource management approach to watersheds and biodiversity conservation. Major features include the wise use of biodiversity as a foundation for rural economic stability, sustaining the momentum for more effective environmental governance, brokering solutions that alleviate resource management conflicts, and greater use of market-based instruments as an analytical and implementation tool to refine institutionalized policies. In addition, the new strategy will build on accomplishments and lessons learned from past and ongoing programs in forestry, coastal and industrial management.

The program directly supports the Agency goal of "protecting the environment" and the 1999-2001 Mission Performance Plan goal of "reducing Philippine environmental degradation and promoting conservation of its natural resources and biodiversity."

Key Results: Three key intermediate results were identified to achieve USAID's environment objective: improved coastal resources management, cleaner industrial production in coastal areas and improved forest resources management. Indicators to measure progress include: (1) kilometers of shoreline and hectares of forest where improved management is being implemented; (2) percentage change of fish abundance and coral reef cover inside and adjacent to marine sanctuaries (biophysical indicators); and (3) percent reduction of pollutants in exposure pathways. With respect to the first indicator, in 1998, 170 kilometers of coastlines (compared to a target of 40) were counted when the following criteria for improved coastal resources management were locally implemented: (a) annual local government budget for coastal resources management (CRM) was allocated; (b) resources management organizations were formed and active; and (c) best CRM practices were being implemented. A total of 535,000 hectares of forest (compared to a target of 375,000 hectares) were counted when the following criteria were met: (a) forest lands were no longer open access areas, with clearly defined boundaries under community management and control; (b) forest area and total tenured area under forest cover have expanded; (c) little or no destructive practices, such as illegal logging were taking place; (d) a management plan affirmed by the Department of Environment and Natural Resources (DENR) was being implemented; and (e) an environmental monitoring plan using environmental indicators (i.e. incidence of fire, illegal logging) was being implemented by communities, with DENR and local government counterparts.

Performance and Prospects: Overall, USAID's performance exceeded targets for 1998, with national level impact in several areas. Targets are expected to also be exceeded in 1999.

Forestry Resources Management (FRM). At the end of September 1999, USAID graduated its extremely successful activity aimed at reducing deforestation and soil erosion, and improving forest management for the benefit of rural people through promotion of community-based forest management. The FRM program reported that 587,000 hectares of

forestlands are under better management by communities, exceeding the target by 87,000 hectares. Overall, through USAID's leadership, about 3.8 million hectares of forestland, or 50% of the country's remaining forest cover, are under community management. Peoples' organizations representing these communities have federated into a 2-million strong organization that will help sustain this initiative. Local government investments in community forestry have also increased, and for the first quarter of 1999, 8 million pesos were earmarked by local governments for FRM activities. This effort has been institutionalized in the DENR. Last year the government placed more than 1 million hectares of forest land under community based forest management agreements on its own, without USAID assistance, but according to standards FRM program had helped put in place.

Coastal Resources Management (CRM): USAID is at the mid-point of this extremely influential effort to promote community-based, integrated coastal/marine resource management. Through its mix of successful "best practices" in the field, policy support, and awareness campaigns, LGUs, community groups and President Estrada has made CRM a national priority and the President proclaimed May as Month of the Ocean. The GOP also decided to institutionalize CRM efforts within the DENR and to merge its own program with USAID's Coastal Resources Management Project (CRMP), thereby virtually assuring sustainability of successful USAID efforts. The CRMP has achieved "best practices in CRM" along 719 kilometers of shoreline, exceeding its target of 670 kilometers at the end of 1999. Coral cover inside marine sanctuaries improved with a 6% change compared to the baseline despite the *La Niña*. Fish abundance inside sanctuaries established under CRMP also improved very significantly at an average of 858% change, while in areas adjacent to sanctuaries, an increase of 785% in fish abundance was noted. This clearly indicates that degradation of coral cover and depletion of marine resources are being reversed.

Twenty-nine LGUs are now implementing CRM best practices, a result of USAID's leveraging efforts with the League of Municipalities of the Philippines (LMP), which is helping to facilitate the spread of CRM best practices in other coastal areas in the country. There is also a 350% increase in local government investments in CRM, not only in CRMP's learning sites but also in other coastal areas. A more vigorous information campaign is underway and is expected to expand CRMP's spread effect. Furthermore, CRMP technical lessons learned will be spread to other municipalities.

Industrial Initiatives for Sustainable Environment (IISE): Though similar impact and sustainability are foreseen for this initiative, implementation has just begun. This activity will take the lead in the Philippines in reducing industrial pollution in sensitive marine environments. IISE will work with 400 industries in selected sectors located in four CRM coastal areas, which are expected to benefit from clean technology/environmental management (CT/EM), while protecting fragile marine resources. It is expected that private industries will participate heavily in this program, mainly because of the cost-savings resulting from CT/EM practices.

Environmental Natural Resources Accounting Program (ENRAP). This highly successful campaign to promote use of market-based instruments (MBIs) in managing natural resources will end in 2000. DENR has adopted this practice, and is using it to exact sustainability-enhancing user fees, calculate penalties, prioritize investments and harness the private sector to better manage natural resource-based economic activities. Understanding of the importance of pricing natural resources is now growing, and government agencies are using MBI tools to harness private capital to insure sustainable natural resource management. Recent policy actions using environmental resource accounting (ENRA) methodology include: revision of fees for access to all natural resources in protected areas; proposed new wastewater discharge permit fees; and classification and determination of pasture fees. The Philippine government has put in place enabling policies to sustain the process, and is financing an ENRA unit in DENR with its own resources.

In FY 2000-2002, USAID will bring to a close its remaining sectoral activities (coastal and industrial) and focus solely on integrated watershed management. This new activity will bring together a variety of lessons learned from other successful USAID activities, including the need to pursue support from local government units (LGUs) and other local players, opportunities to leverage resources from other donors for sustainability, and the potential for mediating resource use conflicts. Key watershed management areas are being selected to support conservation and promote food security. Design and setting of targets for this activity will be done in FY 2000, and implementation will begin in FY 2001.

Possible Adjustment to Plans: USAID will combine its natural resource management and energy programs into one strategic objective in 2000. This makes sense both operationally and substantively, as global climate change is directly affected by management of the country's forests, coastal areas, and industrial sector. Global climate change is also believed to increase the frequency of weather extremes (*El Niño/La Niña*) and coral die-off (through coral bleaching), and its links to food security are therefore of real concern in the Philippines.

Other Donor Programs: Natural resource management activities are being closely coordinated with initiatives of the WB, Japan, ADB, Canada, the UNDP, and Sweden. USAID will collaborate with Japan and the WB on accessing soft loan funds for coastal management activities of local governments. Many of its best practices are being adopted by two

large ADB projects. The IISE Project collaborates with UNDP and US-Asia Environmental Partnership on clean production and environmental management policy initiatives.

Principal Contractor, Grantees or Agencies: USAID implements activities through GOP agencies, U.S. contractors, and U.S. and local NGOs including Development Alternatives, Inc., Tetratech, Inc., Chemonics, International Resources Group, U.S. Peace Corps, and International Marinelife Alliance.

Selected Performance Measures:	**Baseline**	**Target (1998)**	**Actual (1998)**	**Target* (1999)**	**Target (2000)**	**Target (2001)**
Kilometers of shoreline where improved management of coastal resources is being implemented	0 (1996)	40	170	670	1,200	2,100
Hectares of forest where improved management of forest resources is being implemented	19,600 (1994)	375,000	535,000	500,000	Ends	
Average percent change (in comparison to base years) in fish abundance inside and adjacent (x/x) to six marine sanctuaries	0/0 (1998)	0/0	0/0	10/5	20/5	30/10
Percent living coral cover inside and adjacent (x/x) to six marine sanctuaries	0/0 (1998)	0/0	0/0	5/0	10/2	40/15
Percent reduction of pollutants within exposure pathways (%)	0 (1998)	0	0	0	5	10

* Preliminary estimates of actual 1999 data follow:
Kilometers of shoreline where improved management of coastal resources is being implemented: 719
Average percent change in fish abundance inside and adjacent (x/x) to six marine sanctuaries: 858/785 (see note)

Note: Percentage change is very high due to the extremely low (but accurate) baseline figures for fish population inside/adjacent to the highly degraded sanctuaries. After the initial period of sanctuary protection, however, it is expected that the percentage increase will level off as fish population begins to approach the natural carrying capacity of the rehabilitating sanctuaries. Targets for future years will be revisited during the next annual Results Review & Resource Request (R4) exercise in March 2000.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Philippines
TITLE AND NUMBER: Reduced Emissions of Greenhouse Gases, 492-005
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $5,000,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,000,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Unmitigated global climate change patterns have the potential to affect global ecosystems adversely, increase the severity of weather extremes (e.g., typhoons, droughts and floods) and increase associated losses in life, infrastructure, and food supplies. They also may create new ecological niches for deadly diseases.

Power industry emissions are expected to double in the next 10 years as a result of the Philippines' economic and population growth. USAID's global climate change strategy in the Philippines is to mitigate greenhouse gas (GHG) emissions from the power sector by expanding the use of clean fuels and promoting more efficient generation, distribution, and consumption of electricity. These activities are facilitated through building public and private sector capacity for improved energy sector development and management. With new opportunities created by legislation that will restructure the power industry, the Global Climate Change Mitigation Program is increasing its emphasis on privatization of the National Power Corporation (NPC) and corresponding policy changes. Effective restructuring will mean increased competition and efficiency, in turn bringing lower electricity rates for consumers and reduced GHGs.

The program directly supports the Agency goal of "protecting the environment" and the FY 1999-2001 U.S. Mission Performance Plan goal to "increase Philippine support for U.S. environmental objectives in international fora, and reduce Philippine environmental degradation and promote energy efficiency and conservation of its natural resources and

biodiversity. "

Key Results: The life-of-project (LOP) target for this program is to avoid the release of some 20 million metric tons of carbon dioxide (CO2)-equivalents into the atmosphere through use of cleaner fuels (such as natural gas, small-scale hydro, wind, solar and geothermal), and by increased efficiencies in power generation, transmission, distribution and end use. In 1998, all key results met or exceeded targets. USAID-supported activities in clean fuel resulted in 3,300 MegaWatt-hour of energy saved. Likewise, through energy efficiency measures, such as demand side management activities, USAID activities reduced the need for 412 MegaWatt-hour of fossil fuel-based energy. Capacity building tools, such as training, computer software and databases to track energy performance, and the development of information centers also contributed significantly to improved energy sector development and management. (Note: The broader measure of metric tons of CO2)-equivalents avoided through improvements in the energy sector is calculated by USAID/Washington, based on the above information.)

Performance and Prospects: The performance of the energy strategic objective in 1998 was on track. Important progress was also made in 1999, particularly in restructuring and privatizing the energy sector and supporting the use of renewable energy. Policy work, supported by USAID, focused on expert technical assistance to the Government of the Philippines (GOP) in formulation of the Electricity Industry Reform Act (EIRA) to revitalize the country's power sector and attract outside investment. This legislation is now being refined in both houses of Congress and passage is anticipated this year. To support these efforts, an information, education, and communication (IEC) program was initiated through collaboration between the Mission's environment, democracy, and economic development offices. This is providing accurate and objective information to stakeholder groups on the positive impacts of restructuring and increased competition with privatization to encourage broad-based support for passage of good legislation. Similarly, a layman's primer on the energy bill was produced in partnership with the Philippines' Department of Energy and distributed to NPC employees, legislators in both houses of Congress, other agencies and numerous stakeholder groups. USAID also sponsored internationally acclaimed experts to conduct workshops with legislators to share other countries' experiences in energy sector restructuring and privatization. These workshops facilitated creation of a decision model that will help the country legislators, policy makers and regulators make more informed decisions and move good legislation forward.

Once the EIRA is passed, USAID will provide technical assistance to support the successful adoption and implementation of these important reforms. This will include assisting the GOP in drafting the Implementing Rules and Regulations of the Act and strengthening the Energy Regulatory Board (ERB) as an independent and competent regulator that will implement policies to ensure a competitive and investor-friendly environment. USAID is also supporting the development of a more informed civil society (including consumer groups) in the public policy process. This will help to increase transparency in the formulation and implementation of energy policies. These activities are critical to the success of the program and will continue throughout the Strategy period.

In the area of energy efficiency, USAID supported a Heat Rate Improvement Study on six power plants. It identified no cost and low cost solutions to improving efficiency. Once these recommendations are implemented, these plants can expect combined savings of US$14.5 million annually on fuel, while reducing emissions by about 600,000 metric tons of carbon dioxide (CO2)-equivalents. USAID has also convinced the ERB to mandate Demand-Side Management plans at all utilities they oversee. The Green Malls and Buildings program is helping to create awareness and disseminate information on energy efficiency, and the Malacañang Presidential Palace is a candidate "showcase" building. USAID is also taking the lead in organizing a "Green Establishments Association" to promote use of energy efficient designs in commercial and public buildings. These will provide models for use nationwide, thus improving economic performance while reducing GHGs. It is expected that the Green Establishment Association will be fully operational by FY 2002 when USAID assistance in this area will end.

With the advent of President Estrada's campaign for barangay (village) electrification, USAID's assistance in clean fuels and renewables is indeed timely since renewable energy sources, such as wind and solar, are a practical approach to off-grid rural electrification. Thanks to USAID technical assistance, the Energy Secretary has approved changes that will remove important barriers to development of renewable energy and encourage private sector investments in off-grid renewable energy. In FY 2000 and 2001, USAID will continue to work closely with other donors to help the Philippines develop the right policy context to encourage increased development and use of renewable energy.

USAID also supports capacity building of partner agencies, including through the Climate Change Information Center (CCIC) at the Manila Observatory, launched at the Presidential Palace by top government officials and executives from the private sector. The CCIC is the first data hub in Asia that provides advanced electronic public access to important energy and climate change information.

Possible Adjustments to Plans: If USAID continues to receive funds for greenhouse gas reduction, it will take on the

challenge of reducing the Philippine transportation sector's contribution to global climate change, starting in FY 2001. Recent analysis indicates that the Philippine transportation sector now produces as much atmospheric carbon as the power sector. This issue is also directly associated with deteriorating quality of life in urban areas.

Other Donor Programs: USAID technical assistance to improve energy sector policies helps provide a basis for multilateral donors to extend major energy loans to the Philippines. For example, USAID-funded technical assistance is helping the GOP meet conditionalities (in particular development of new legislation) associated with a major $300 million ADB loan program to support power sector restructuring and privatization. USAID also provided experts to a WB team exploring opportunities for expanded use of renewable energies, and USAID's current program efforts in this area are expected to contribute importantly to development of a sector loan. Similarly, USAID is coordinating with the UNDP in its assistance to Land Bank of the Philippines to encourage additional lending for renewable energy investments.

Principal Contractors, Grantees or Agencies: USAID implements its activities in this area through GOP agencies, U.S. contractors, and NGOs. Major contractors include Hagler-Bailly Consulting, Inc., U.S. Department of Energy, National Renewable Energy Laboratory and the U.S. Energy Association.

Selected Performance Measures:	**Baseline**	**Target (1998)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Average percentage of all policy Goals in each year (%)	0 (1997)	35	35	87	93	99
Energy saved or generation avoided through clean fuels (Megawatt-hr)	0 (1997)	3,000	6,000	103,000	352,000	722,000
Energy saved through increased end-use efficiency (Megawatt-hr)	0 (1998)	400	412	1,400	4,750	5,050
No. of tools used for improved energy sector development and management	0 (1997)	140	146	240	370	400

*There are six policy goals that USAID/Philippines is trying to achieve in this program. For each there are four policy steps: policy preparation, consensus building, adoption, and implementation. Each year, progress on each policy is scored according to an index and the average percentage score is reported.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Philippines
TITLE: Sustainable, Self-correcting Democratic Governance Nationwide, 492-006
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $800,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: USAID's stand-alone democracy program will end in 2001. During the remaining period, it will continue a two-pronged strategy in local governance and civil society. The first prong strives for effective local government with broad-based participation by assisting progressive provinces, municipalities and cities. USAID assistance uses participatory mechanisms to improve local service delivery, tax collection, environmental management, and partnerships with business and national government, and helps local governments advocate for their interests through local government leagues. The second prong, the civil society strategy, focuses on effective participation of disadvantaged groups. USAID assistance to coalitions of the disadvantaged enables them to analyze and debate public policy issues and participate actively in the public policy arena.

The program directly supports the Agency goal of "strengthening democracy and good governance" and the 1999-2001 U.S. Mission Performance Plan goal of "strengthening the Philippines constitutional democracy, observance of human rights and integrity of law enforcement. It also supports government and NGO efforts to strengthen the Philippines' role as the region's 'hub for the promotion of democracy and human rights', making it a model of civil society."

Key Results: The performance of the Mission's democracy and governance strategic objective exceeded expectations in

1998. With the Government and Local Democracy (GOLD) project's support to local NGO coalitions, many more NGO representatives are actively participating in local government bodies and pursuing advocacy issues directly affecting their sectors. No less than 1,021 representatives were actively participating in boards and committees, exceeding the target of 750 representatives. With technical assistance provided by GOLD, the actual net amount of self-generated revenues collected by local governments in project areas amounted to 974 million pesos, far exceeding the year's target of 203 million pesos. Major policy gains of the civil society program were passage of the Anti Child Labor Act; filing of the Coconut Industry Reform Act that will convert the coconut levy fund (collected from farmers during the Marcos administration) from a private to a fully public trust fund; passage of the Comprehensive Juvenile Justice System Act; and inputs to other draft bills that will benefit the disadvantaged.

Performance and Prospects: To ensure continuity of gains made under the GOLD project, specific sustainability initiatives such as support for establishment of new Centers of Local Governance (CLGs), for strengthening the secretariats of local government leagues, and strategies for collaboration with national government agencies, academe and the private sector are being adopted. For example, with GOLD assistance, six CLGs are actively providing training and other technical assistance services not only to sites previously sponsored under GOLD, but also to other local governments across the country. CLG services include training in participatory planning skills and technical assistance on opinion polling, local service delivery improvement, and investment planning.

GOLD activities in support of new local governments, to be completed in six to ten months using standardized implementation strategies, are now in full swing with 34 plans for work on solid waste management, 24 for watershed management, 34 for coastal resource management, and 24 on investment planning. In local finance, there are encouraging signs of increasing revenue collections from real property taxes at six GOLD-assisted sites. The Province of Bulacan is computerizing records for real property tax assessments and collections, will make tax maps available to all citizens on the province's web page, and will share computer software for real property tax assessment and collections with other provinces. Advocacy activities for improving real property tax collections now involve schoolteachers and barangay leaders in several provinces. Five new provinces are currently being considered for GOLD support to improve real property tax collections.

At the USAID-sponsored Annual Partners Conference in September 1999, NGO coalitions designed joint action plans aimed at: (1) protecting and promoting children's rights; (2) promoting transparency and accountability in governance; (3) advocating urban poor issues; (4) improving administration of justice; and (5) promoting the advancement of women.

As USAID undertook efforts to increase central government transparency and accountability, a grant to The Asia Foundation (TAF) was crucial. This pioneering project will lay the groundwork for engaging private sector constituencies in the fight against corruption. Drawing on state-of-the-art research methods, progressive business networks, and a vibrant media, TAF and its partners will identify, analyze, document, and disseminate key information on corruption as it relates to doing business. USAID's three current grants on judicial reform are on track in terms of achieving an advocacy agenda through the coalition inputs to draft bills under review in the Philippines.

With the integration of staff of the Office of Governance and Participation into other Mission offices and teams, best practices from democracy programs will be widely shared and adopted in activities of other strategic objectives. The GOLD Project field activities are being consolidated and will end in December 2000. Ongoing civil society grants and the GOLD activities will be managed until they are completed in 2001.

Possible Adjustments to Plans: None.

Other Donors' Programs: AusAID has established a funding mechanism (the Governance Facility) in their country assistance portfolio that will support local governance innovations. Likewise, multilateral donors including the WB and the ADB are initiating new programs to support good governance and introduce anti-corruption reforms. The EU is considering support for a local government disaster management activity initiated by USAID. The United Nations International Children's Emergency Fund and the International Labor Organization share USAID's interest in strengthening the local government leagues.

Principal Contractors, Grantees and Agencies: The major contractor is Associates in Rural Development. Grantees include Agricultural Cooperative Development International, American Center for International Labor Solidarity, Volunteers in Overseas Cooperative Assistance, World Vision Relief and Development, CARE, TAF and several Philippine PVOs, including the Philippine Business for Social Progress, the Gerry Roxas Foundation and the Evelio B. Javier Foundation.

Selected Performance Measures:	Baseline	Target (1998)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of NGO representatives actively participating in local special bodies	293 (1995)	750	1,021	1,000	1,200	See note
Net amount of self generated revenues collected by target local governments	592 (1995)	203	974	254	1,400	See note

Note: Activities measured by these indicators will end in December 2000. Therefore, no targets are set for 2001.

Qualitative Performance Measures:

Major issues addressed by NGO advocacy coalitions in 1998:

- Signing of Executive Order directing the liquefaction of assets acquired from the coconut levy funds & using proceeds for the coconut industry reform;
- Passage of law recognizing children as distinct basic sector in the GOP's social reform agenda;
- Appointment of coalition leaders as their sectoral representatives in key committees/special government bodies (urban poor, indigenous peoples, etc.); and
- Campaign for full & timely implementation of the law providing assistance to women workers in the micro and cottage industries.

Preliminary estimates for 1999 data follow:

Qualitative Performance Measures:

Major issues addressed by NGO advocacy coalitions in 1999:

- Passage of the Anti Child Labor Act;
- Filing of the Coconut Industry Reform Act that will convert the coconut levy fund (collected from farmers during the Marcos administration) from a private to a fully public trust fund; and
- Passage of the Comprehensive Juvenile Justice System Act.

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: Philippines			
Title and Number: Accelerate the Economic Transformation of Mindinao, 492-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	24,500 DA	3,217 DA	21,283 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	75,000 MAI	75,000 MAI	0 MAI
Fiscal Year 19	2,249 DA	8,860 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	817 MAI	0 MAI	
	0 DCA	0 DCA	
Through Sept	26,749 DA	12,077 DA	14,672 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	75,817 MAI	75,000 MAI	817 MAI
	0 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	2,500 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**2,500 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		

		Future Obligations	Est. Total Cost
Proposed Fis	**0 DA**	**0** DA	**29,249** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	DFA	**0** DFA
	0 MAI	MAI	**75,817** MAI
	0 DCA	**0** DCA	0 DCA

	U.S. Financing (In thousands of dollars)		
Program: Philippines			
Title and Number: A More Stable and Competitive Economy, 492-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	11,996 DA	731 DA	11,265 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	60,244 MAI	50,020 MAI	10,224 MAI
Fiscal Year 19	0 DA	3,699 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	0 MAI	1,272 MAI	
	1,001 DCA	0 DCA	
Through Sept	11,996 DA	4,430 DA	7,566 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	60,244 MAI	51,292 MAI	8,952 MAI
	1,001 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	200 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**200 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
		Future Obligations	**Est. Total Cost**

Proposed Fis	**5,600**	**DA**	**8,000**	DA	**25,796**	DA
	0	**CSD**	**0**	CSD	**0**	CSD
	5,000	**ESF**	**0**	ESF	**5,000**	ESF
	0	**SEED**	**0**	SEED	**0**	SEED
	0	**FSA**	**0**	FSA	**0**	FSA
	0	**DFA**		DFA	**0**	DFA
	0	**MAI**		MAI	**60,244**	MAI
	0	**DCA**	**0**	DCA	1001	DCA

	U.S. Financing (In thousands of dollars)		
Program: Philippines			
Title and Number: Reduced Fertility Rate and Improved Maternal and Child Health, 492-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	102,534 DA	69,809 DA	32,725 DA
	4,782 CSD	2,710 CSD	2,072 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	0 MAI	0 MAI	0 MAI
Fiscal Year 19	18,500 DA	19,265 DA	
	0 CSD	2,072 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	1,800 MAI	0 MAI	
	0 DCA	0 DCA	
Through Sept	121,034 DA	89,074 DA	31,960 DA
	4,782 CSD	4,782 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	1,800 MAI	0 MAI	1,800 MAI
	0 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	14,000 DA		
	3,700 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**14,000 DA**		
	3,700 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
		Future Obligations	**Est. Total Cost**

Proposed Fis	**17,000**	**DA**	**33,000**	DA	**185,034**	DA
	4,000	**CSD**	**9,000**	CSD	**21,482**	CSD
	0	**ESF**	**0**	ESF	**0**	ESF
	0	**SEED**	**0**	SEED	**0**	SEED
	0	**FSA**	**0**	FSA	**0**	FSA
	0	**DFA**		DFA	**0**	DFA
	0	**MAI**		MAI	**1,800**	MAI
	0	**DCA**	**0**	DCA	0	DCA

	U.S. Financing (In thousands of dollars)		
Program: Philippines			
Title and Number: The Threat of HIV/AIDS and Selected Infectious Diseases is Reduced, 492-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	11,100 DA	9,068 DA	2,032 DA
	4,300 CSD	665 CSD	3,635 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	0 MAI	0 MAI	0 MAI
Fiscal Year 19	0 DA	1,181 DA	
	4,400 CSD	2,537 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	0 MAI	0 MAI	
	0 DCA	0 DCA	
Through Sept	11,100 DA	10,249 DA	851 DA
	8,700 CSD	3,202 CSD	5,498 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	0 MAI	0 MAI	0 MAI
	0 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	0 DA		
	3,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**0 DA**		
	3,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
		Future Obligations	**Est. Total Cost**

Proposed Fis	**0 DA**	**0** DA	**11,100** DA
	5,900 CSD	**8,500** CSD	**26,600** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	DFA	**0** DFA
	0 MAI	MAI	**0** MAI
	0 DCA	**0** DCA	**0** DCA

	U.S. Financing (In thousands of dollars)		
Program: Philippines			
Title and Number: Environmental Resources Management Improved, 492-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	10,858 DA	19 DA	10,839 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	116,995 MAI	98,464 MAI	18,531 MAI
Fiscal Year 19	0 DA	2,816 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	0 MAI	10,515 MAI	
	0 DCA	0 DCA	
Through Sept	10,858 DA	2,835 DA	8,023 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	116,995 MAI	108,979 MAI	8,016 MAI
	0 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
		Future Obligations	**Est. Total Cost**

Proposed Fis	**2,500**	**DA**	**5,000**	DA	**18,358**	DA
	0	**CSD**	**0**	CSD	**0**	CSD
	0	**ESF**	**0**	ESF	**0**	ESF
	0	**SEED**	**0**	SEED	**0**	SEED
	0	**FSA**	**0**	FSA	**0**	FSA
	0	**DFA**		DFA	**0**	DFA
	0	**MAI**		MAI	**116,995**	MAI
	0	**DCA**	**0**	DCA	**0**	DCA

	U.S. Financing (In thousands of dollars)		
Program: Philippines			
Title and Number: Reduced Emissions of Greenhouse Gases, 492-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	16,511 DA	8,624 DA	7,887 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	761 MAI	698 MAI	63 MAI
Fiscal Year 19	1,500 DA	4,102 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	0 MAI	35 MAI	
	0 DCA	0 DCA	
Through Sept	18,011 DA	12,726 DA	5,285 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	761 MAI	733 MAI	28 MAI
	0 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	5,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**5,000 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
		Future Obligations	**Est. Total Cost**

Proposed Fis	**5,000 DA**	**8,000** DA	**36,011** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	DFA	**0** DFA
	0 MAI	MAI	**761** MAI
	0 DCA	**0** DCA	0 DCA

	U.S. Financing (In thousands of dollars)		
Program: Philippines			
Title and Number: Sustainable, Self-Correcting Democratic Governance Nationwide, 492-006			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	45,217 DA	30,107 DA	15,110 DA
	0 CSD	0 CSD	0 CSD
	492 ESF	492 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	0 MAI	0 MAI	0 MAI
Fiscal Year 19	2,000 DA	9,185 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
	1,850 MAI	0 MAI	
	0 DCA	0 DCA	
Through Sept	47,217 DA	39,292 DA	7,925 DA
	0 CSD	0 CSD	0 CSD
	492 ESF	492 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
	1,850 MAI	0 MAI	1,850 MAI
	0 DCA	0 DCA	0 DCA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Planned Fisca	800 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
Total Planne	**800 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
	0 MAI		
	0 DCA		
		Future Obligations	**Est. Total Cost**

Proposed Fis	**0**	**DA**	**0**	DA	**48,017**	DA
	0	**CSD**	**0**	CSD	**0**	CSD
	0	**ESF**	**0**	ESF	**492**	ESF
	0	**SEED**	**0**	SEED	**0**	SEED
	0	**FSA**	**0**	FSA	**0**	FSA
	0	**DFA**		DFA	**0**	DFA
	0	**MAI**		MAI	**1,850**	MAI
	0	**DCA**	**0**	**DCA**	**0**	DCA

The United States Agency for International Development

Phillipines

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance [1]	39,000	22,750	22,500	30,100
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	3,622	4,400	7,200	9,900
Freedom Support Act Funds	0	0	0	0
Multilateral Assistance Initiative [2]	0	0	0	0
Economic Support Funds	0	0	0	5,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**42,622**	**27,150**	**29,700**	**45,000**
Operating Expenses	2,440	2,736	2,212	2,750
Trust Funds	2,800	1,289	1,054	1,000
Total Operating Costs	**5,240**	**4,025**	**3,266**	**3,750**

[1] Excludes $1.001 M transferred to Development Credit Authority account in FY 1999.

[2] Excludes $4.467 M reobligation of MAI recoveries in FY 1999.

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	16	14	14	14

Other U.S. Citizen	3	6	1	1
FSN/TCN	91	90	89	89
Subtotal OE Funded	**110**	**110**	**104**	**104**
Program Funded*				
U.S. Citizen	5	3	3	3
FSN/TCN	17	20	18	18
Subtotal Program Funded	**22**	**23**	**21**	**21**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**132**	**133**	**125**	**125**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
492-002 A More Stable and Competitive Economy							
- DA	5,300	0	0	300	0	0	5,600
-DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	5,000	0	0	0	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0
492-003 Reduced Fertility Rate and Improved Maternal and Child Health							
- DA	0	17,000	0	0	0	0	17,000
- DFA	0	0	0	0	0	0	0
- CSD	0	4,000	0	0	0	0	4,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
492-004 Environmental Resources Management Improved							

- DA	0	0	1,300	1,200	0	0	2,500
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
492-005 Reduced Emissions of Greenhouse Gases							
- DA	0	0	5,000	0	0	0	5,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
492-007 Threat of HIV/AIDS and Other Selected Infectious Diseases Reduced							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	5,900	0	0	0	0	5,900
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	5,300	17,000	6,300	1,500	0	0	30,100
- DFA	0	0	0	0	0	0	0
- CSD	0	9,900	0	0	0	0	9,900
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	5,000	0	0	0	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Patricia K. Buckles

The United States Agency for International Development

SRI LANKA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

Sri Lanka provides a unique opportunity in South Asia for advancing U.S. national interests in democratic values and economic opportunities. The country has a fifty-year tradition of vigorous democracy with active political parties, a free press and an independent judiciary. Its levels of literacy and life expectancy rival those of developed-countries; it has broad gender equality; little abject poverty; and has made progress on economic reforms. Overall unemployment has dropped, from over 15% in 1990 to around 8.5%, although the percentage of unemployed educated youth still remains high. Despite the gains it has made, Sri Lanka remains at the bottom of the list of middle-income developing countries in terms of GNP per capita. The prolonged 16-year conflict in the North and East Provinces continues to threaten its progress.

The Mission Performance Plan (MPP) for Sri Lanka emphasizes economic growth that promotes political stability, democracy and human rights, and humanitarian assistance as essential to the U.S.-Sri Lanka relationship. USAID's programs are at the forefront of these efforts. The main focus of USAID assistance is to strengthen Sri Lankan competitiveness in global markets and improve the enabling environment for trade and investment. Other USAID assistance is directed at democracy and human rights, and humanitarian assistance.

The Development Challenge

Sri Lanka has made progress in macro-economic reforms and some financial and structural reforms that stimulate productive investment. However, diversification of the economy away from its traditional reliance on commodity exports and low-value products remains too slow to generate a significant increase in incomes. To progress rapidly to develop a fast growing, outward-looking economy, Sri Lanka's private sector needs to implement better business strategies and the Government of Sri Lanka (GSL) needs to make the necessary policy and regulatory reforms to improve the enabling environment for the private sector.

USAID's economic growth program is aimed at increasing Sri Lankan competitiveness in the global market place. Through strategic partnerships with the GSL, business leaders and associations, USAID is bringing attention to the issue of Sri Lankan competitiveness and supportive policy and regulatory reforms. A South Asia Regional Conference on Competitiveness was held in Colombo to raise awareness on competitiveness. Meetings were held with private sector association representatives, firms, suppliers and service providers within given industries to introduce the cluster concept of working together to create competitive business strategies. As a result, the garments, tea, rubber, education, tourism, eco-tourism and jewelry industries have requested USAID assistance to form such clusters. USAID's technical assistance and analytical support to government institutions assists the GSL to participate effectively in the competitiveness process.

Financing of industry and infrastructure development is also being enhanced with assistance from USAID, through the

development of a listed corporate and government debt market-trading program. USAID provided institutional strengthening training for Ministry of Finance personnel on Taxation Policy Analysis to develop their capacity to examine revenue and cost benefit implications of tax proposals.

Better dialogue between associations and the GSL has led to requests for reforms in privatization of state-owned livestock farms and restructuring of livestock extension services, which is to be included in the GSL FY 2000 budget proposal. Tariffs relating to high-tech agricultural equipment and importation of improved seed and livestock have been eliminated. An agro-industrial policy framework has been drafted and is awaiting final approval by Parliament. USAID technical assistance persuaded poultry and dairy associations not to lobby for protectionist tariffs and instead the associations launched programs to increase domestic consumption of their products.

In 1999, the conflict in the North and East Provinces of the country continued to place heavy demands on the country's resources. The GSL continued its strategy of intensive military confrontation and reestablishment of normalcy in the Jaffna peninsula. Resettlement of the displaced population to the Jaffna peninsula continued but was slowed by security problems in the area, and a large number of persons remain displaced. Efforts to reach a negotiated political settlement were stalled by the lack of cooperation between the major political parties and lack of interest on the part of the insurgents.

The GSL showed courage in conducting a transparent investigation of alleged human rights abuses committed by its own forces during the ongoing conflict. USAID funded foreign forensic experts to assist the GSL in the investigation into a multiple gravesite at Chemmani in northern Sri Lanka.

Other Donors

In 1998, the United States was the sixth largest bilateral donor, and the ninth largest overall. The leading donors were the Asian Development Bank (ADB), the World Bank (WB), UNDP, Japan, Germany, Norway, Netherlands, Sweden and the United States. Japan, the ADB and the WB are the largest donors to Sri Lanka. Japanese development assistance continues to place emphasis on supporting improvements in key physical infrastructure and environment while the WB is supporting a Private Sector Infrastructure Development project. The ADB has an ongoing Science & Technology project and has plans for a Private Sector Development Program. USAID is the lead donor working on competitiveness at the industry cluster level and developing policy reform through the private sector. The GSL remains committed to allowing NGOs to work effectively in the north and east. USAID activities complement efforts of the UN agencies such as UNICEF, WHO, UNHCR and international voluntary organizations, which are providing health care and shelter to the displaced.

The United States Agency for International Development

Sri Lanka

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID's program will continue to support Agency goals for broad-based economic growth and agricultural development, strengthening democracy, and providing humanitarian assistance. Technical assistance will be provided to the private sector to support industry clusters to improve their competitiveness and dialogue with government on competitiveness issues facing Sri Lanka, and to improve business strategies on a sector-wide basis. The GSL will be assisted for improvements in financial market and trade/investment systems, policies and practices necessary to attract the level of investment required for sustained growth and competitiveness. USAID's democracy programs also support efforts of the GSL and the NGO community to improve protection of human rights and improve the ability of the judiciary to resolve complaints efficiently and effectively. USAID will extend its programs of humanitarian assistance through NGOs to reach children and families most affected by the conflict and related violence in Sri Lanka in order to help them return to a normal life.

ACTIVITY DATA SHEET

PROGRAM: Sri Lanka
TITLE AND NUMBER: Improved Framework for Trade and Investment, 383-001
STATUS: Terminating. Strategy revised. See SO 383-004.
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $500,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2000

Summary: In 1998, when USAID began to work on this objective, the Government of Sri Lanka (GSL) had made improvements in the macro-economic framework, but Sri Lanka remained weak in terms of its competitiveness. This raised the concern that Sri Lanka would not be able to diversify its economy further and create the kind of jobs needed for educated but unemployed youth. The purpose of the SO is adoption of at least nine significant policy and regulatory reforms in financial markets and trade and investment systems to improve Sri Lanka's competitiveness. The direct beneficiaries include the Sri Lankan private sector, new entrants into the private sector, and their employees. Improving the enabling environment for trade and investment is a key component of the Mission Performance Plan's emphasis on broad-based economic growth.

Key Results: By the end of 1999, eight policies and regulatory reforms had been adopted that will contribute to an improvement in Sri Lankan competitiveness. These included adoption of new seed trade and agro-trade policies, equal taxation treatment for bonds and shares listed on the Colombo Stock Exchange, and the reorganization/strengthening of the Department of Commerce.

Performance and Prospects: Performance in 1999 was greater than expected. In the area of financial market reforms, the Colombo Stock Exchange (CSE) and Sri Lankan Securities and Exchange Commission adopted significant new rules and procedures with USAID technical assistance. These include listing rules of corporate debentures through the CSE and adoption of a code of conduct for primary dealers of government debt securities, both of which will strengthen capital markets in Sri Lanka. In addition, the GSL removed the stamp tax on mortgage backed securities and adopted new rules

on taxation of listed corporate debentures to be similar to listed equity securities as USAID had recommended. In 2000, USAID support will include technical assistance and training on corporate and government bond market development, tax policy analysis in Sri Lanka's Ministry of Finance and Planning and in tax policy implementing agencies.

Dialogue between the public sector and private sector on agricultural technology also improved. With support from USAID for technical assistance, studies and study tours, agricultural associations identified a range of tariff and non-tariff trade policies as barriers to the import of new agricultural technologies. With better information in hand and strategies for dialogue with government, the associations were able to persuade government regulators to remove many of the impediments in 1999, including, for example, establishment of procedures for the free import of hybrid and other improved seed into Sri Lanka. A new partnership between an agro-business association supported by USAID and the Sri Lanka's National Plant Quarantine Service Center was also instrumental in liberalizing this sector. Under the new system, the association provides seed to the Quarantine Service for serological testing. As a result, the Quarantine Service approved the importation of 60,000 kilograms of a hybrid corn seed in 1999, the first time that such an import has been allowed.

The GSL embarked on a new initiative to promote the use of information technology. With USAID technical assistance, the GSL Export Development Board instituted a "CyberTrader" facility. Small companies, including those from regions outside Colombo and the Western Province, began using the facility in 1999 to access buyers and suppliers, find up-to-date information about competitive markets and trade over the Internet.

GSL policy reform expected in 2000 includes: (a) progress towards adoption of a revised Intellectual Property Rights Law; (b) policies and strategies for livestock sector development in Sri Lanka 1999 - 2010; (c) a national trade strategy in line with WTO principles, including strengthening of the Department of Commerce, and (d) an agro-industrial policy framework. USAID technical assistance, studies and training will be provided in 2000 to promote these initiatives.

The Ceylon Chamber of Commerce also took steps to improve corporate governance in Sri Lanka with technical assistance from USAID. Good corporate governance, including better accountability and transparency, is necessary to improve prospects for foreign investment in Sri Lankan firms. One of the largest Sri Lankan companies appointed two non-executive members to its board of directors for the first time in its 150-year history, sending a strong signal to the business community that good corporate governance is necessary for future growth and investment.

In 1999, USAID also initiated technical assistance and related support for the development of competitiveness clusters. Program activities support private sector associations, firms, suppliers and service providers in a given industry to work as a cluster and develop competitive strategies for their cluster. To start the initiative, USAID funded a South Asia regional conference on competitiveness and the global challenge in November 1999. Forty-five delegates from six South Asian countries, plus 250 from Sri Lanka attended the conference. Studies on benchmarking of key macro-level competitive factors of South Asian countries against other countries were included. Following the conference, fifteen industry groups approached USAID for assistance in forming a cluster, including traditional industries of rubber and tea as well as software exporters.

Possible Adjustments to plans: Presidential elections were held in December 1999 and parliamentary elections are scheduled for 2000. This has delayed benchmarking of public sector institutions and cluster programming for public sector services, which will be postponed until after the elections.

Other Donor Programs: Programs of the World Bank and Asian Development Bank emphasize continued progress on macro-economic reform and improvement in infrastructure. Other bilateral donors providing support for private enterprise development include Germany, Norway and Japan. The ILO provides assistance on management/labor issues. The International Finance Corporation provided assistance to the Central Bank to bring an international credit rating agency to Sri Lanka in 1999, as recommended by USAID's financial markets technical assistance.

Principal Contractors, Grantees or Agencies: Grantees and contractors include International Executives Service Corps; Oregon State University/Development Alternatives Inc.; International Science and Technology Institute and J. E. Austin Associates.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1999)**	**Target (2000)**
Cumulative number of policies, regulatory reforms or practices adopted	0	8	9

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Sri Lanka
TITLE AND NUMBER: Enhanced Economic and Social Opportunities for Disadvantaged Groups 383-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $300,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The 16-year ethnic conflict in the north and east has displaced a large population including children. Providing short-term relief and resettlement assistance to displaced groups is a high priority of the GSL. Another serious threat to the well being of children in Sri Lanka is sexual exploitation and abuse of mostly boys in the western and southwestern coasts. The purpose of this objective is to assist these groups to recover from adverse circumstances and provide an opportunity for returning to a normal life. Beneficiaries include displaced children and families, orphans and youth exploited by the sex trade.

Key Results: Results determined necessary to achieve the objective include: 1) Increased child participation in community-based and facilitated psychological and social activities; and 2) Provision of artificial limbs to amputees.

Performance and Prospects: The FY 2000 program continues activities previously funded by the Global Bureau. An international NGO will continue to work with local NGOs and community based organizations in the North Eastern and Central Provinces. These NGOs provide opportunities for children affected by the conflict and at risk to participate in their communities. In addition, the programs also help to build bridges between children of different ethnic groups. Other activities include nutrition and health programs as well as programs to help children to re-enter schools. Skills training programs will be provided to vulnerable youth and sex workers to seek alternative employment and socially acceptable income-generating opportunities. In 1999, these programs exceeded the target of assisting 14,127 participants.

In addition, War Victims Funds from the Global Bureau are provided to the only NGO in Sri Lanka that serves the needs of amputees on a large scale. In 1999, the program provided 1,344 artificial limbs to 1,272 amputees as against a target of 1,500 amputees. Travel restrictions for amputees and disrupted supply of components due to increased military operations in the north and east account for the shortfall in the number of amputees assisted. However, it is important to note that prosthetic devices were provided to all patients who requested a limb.

Other Donor Programs: The GSL remains committed to allowing NGOs to work effectively in the north and east. USAID activities complement efforts of the UN agencies such as UNICEF, WHO, UNHCR and international voluntary organizations, which are providing health care and shelter to the displaced. UNDP is involved in removing landmines and pressure mines in the war torn areas.

Principal Contractors, Grantees or Agencies: Terre Des Hommes, The Salesian Brothers and Sarvodaya.

Major Results Indicators:	**Baseline (1997)**	**Actual (1999)**	**Target (2000)**
Cumulative increase in the number of participants in community-based and facilitated psychological and social activities	9,768	14,859	14,900
Cumulative number of amputees fitted with prosthetic devices	1,300	3,830	5,800

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Sri Lanka
TITLE AND NUMBER: Increased Sri Lankan Competitiveness in the Global Marketplace, 383-004
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $2,750,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $3,000,000 DA
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The high level of unemployment among Sri Lanka's educated but unemployed youth continues to threaten

efforts to promote greater political stability in the country. Increased employment among this group requires an accelerated transition of the Sri Lankan economy away from its dependence on basic commodity exports and low cost advantage. The SO's purpose is to increase Sri Lanka's competitiveness in international markets. The overall measurement used to track progress will be an increase in the value-added exports of targeted cluster members relative to their sectors as a whole. Direct beneficiaries of the SO will be approximately 500 member firms of the ten to fifteen industry clusters who produce goods or services for export, or who provide essential services to such industry clusters, and their employees. Improving competitiveness is a key component of the Mission Performance Plan's objectives on broad-based economic growth and open markets.

Key Results: Three key results are necessary. First, 10-15 industry clusters must create and implement competitive business strategies. Second, the Sri Lankan Government must implement effective policy and regulatory frameworks, services and infrastructure for competitiveness, and third, there must be effective dialogue between public and private sectors on competitiveness.

Performance and Prospects: The SO continues competitiveness activities initiated under the Improved Framework for Trade and Investment Strategic Objective. The potential gains that can be made by improving competitiveness are significant. Sri Lanka's human capital base, a key factor of competitiveness, is relatively high, but few of its companies are taking advantage of this resource to produce more complex exports for niche markets. For example, approximately half (by value) of Sri Lanka's tea exports are in bulk form, another 40 percent in loose-leaf packages, and only 10 percent in tea bags or instant tea. The rubber industry provides an example of more rapid emergence into competitive performance, with exports of manufactured products based on rubber now outpacing export values of basic rubber products. Other countries with vibrant jewelry industries rely upon Sri Lanka's gem exports, 50% of which are exported uncut. The diamond cutting and jewelry export industry, however, has never taken off in Sri Lanka. Tourism brings Sri Lanka only about $58 from each tourist per day. The garment industry has produced much of Sri Lanka's recent growth in exports, jobs and investment, but firms that do not rely on quotas for business growth account for only about a third of export earnings. With the removal of quotas in 2005, Sri Lanka garment companies will have to target higher value-added niche markets if they are to survive.

In the past year, a USAID-funded regional conference and sector-wide meetings in Sri Lanka raised awareness about key concepts and tools of the competitiveness methodology. Under the SO, USAID is providing technical assistance in response to the high level of demand from industries to help them form competitiveness clusters. To be effective, such industry clusters require participation of all entities involved in getting a product to the customer: from producer to manufacturer, packer, shipper, vendor, the government that creates the platform upon which all these entities work, as well as research and development organizations. In Sri Lanka, helping companies overcome resistance to cooperating with one another in a cluster is an important first step and part of the awareness campaign.

The methodology applied by USAID's program avoids picking winners and losers. Success of the competitiveness process ultimately depends on the participants' commitment to developing and implementing a strategy, including committing necessary resources. To ensure they have the necessary commitment, clusters receiving specific technical assistance will use their own resources to assign or hire a cluster coordinator to work with USAID's technical advisors and will sign a memorandum of understanding with the project. Potential clusters include financial sector and banking industry, information technology, education, garments, tea, rubber, tourism, eco-tourism, horticulture, gems and jewelry.

To attract additional investment needed for development of new products and expansion into new markets, clusters need to develop a competitiveness strategy. USAID's technical assistance will help these clusters with strategy sessions on how to maximize a given cluster's participation in international markets while delivering sustained increases in productivity and income gains in the domestic economy. USAID will also fund studies and technical assistance to develop and support cluster strategy implementation, public sector policy change, and public-private dialogue. Other types of assistance might include study tours to countries or areas that have developed their competitive advantage, participation at international trade fairs, and attendance at seminars or workshops on competitiveness. USAID may provide limited funding for the purchase of necessary equipment.

By the end of FY 2000, ten of the initial twelve clusters will have completed benchmarking of their industries against competitors and identified niches where the cluster can differentiate its products, including the development of innovative new products in Sri Lanka. The more advanced clusters may also have developed a cluster strategy to better compete in the global marketplace. The competitiveness methodology will be extended to areas outside Colombo and the Western Province. By the end of FY 2000, the competitiveness program will conduct awareness campaigns in key secondary cities of Sri Lanka.

In FY 2001, USAID's technical assistance will help these clusters with strategy sessions on how to maximize a given

cluster's participation in international markets while delivering sustained increases in productivity and income gains in the domestic economy. USAID will also fund studies and technical assistance to develop and support cluster strategy implementation, public sector policy change, and public-private dialogue. Other types of assistance might include study tours to countries or areas that have developed their competitive advantage, participation at international trade fairs, and attendance at seminars or workshops on competitiveness. USAID may provide limited funding for the purchase of necessary equipment.

By the end of FY 2001, eight of the initial twelve clusters will have completed business strategies detailing how they will better compete in the global marketplace, and some will begin implementing these strategies. The more advanced clusters may have attracted increased investments to meet their strategy and may see the value of their exports increase relative to the industry sector as a whole. The competitiveness methodology will be extended to areas outside Colombo and the Western Province. By the end of FY 2001, the competitiveness program will include clusters based in key secondary cities of Sri Lanka.

Possible Adjustments to Plans: None.

Other Donor Programs: The programs of the World Bank and Asian Development Bank on further macro-economic reform and infrastructure are important to the success of USAID's initiative. Their support for activities that increase private sector development of key infrastructure projects such as improvement of the Colombo port, private power generation, rural electrification and loan guarantee programs for small and medium enterprises contribute to the enabling environment for private sector competitiveness. Among bilateral donors, NORAD plans to provide assistance to clusters in a way that would complement USAID's program, and it may channel assistance to selected clusters through USAID contractors. The Japanese private sector program in Sri Lanka uses a government-led rather than private-sector-led approach to improving competitiveness but works primarily in sectors not covered by USAID's program.

The GSL has made efforts to improve its tax structure, draft a new intellectual property rights law that exceeds WTO requirements, and promote the development of capital markets. It has also taken the difficult and sometimes controversial steps necessary to privatize previously state-owned enterprises in the plantation (tea and rubber estates), transport (Sri Lanka Airlines and Colombo port), telecommunication (Sri Lanka Telcom) and power generation sectors. The GSL has also eliminated all customs duties on the import of automated data processing equipment and permitted establishment of private internet service providers, both important to private sector use of information technologies.

Principal Contractors or Agencies: Grantees and contractors include J.E. Austin and Associates through the Nathan/Management Systems International consortium in association with the International Executive Service Corps, The Asia Foundation, The Sri Lankan Institute of Policy Studies and Org-Marg Smart.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Number of competitiveness clusters established with coordinators hired	0	12	12
Number of industry clusters who have completed benchmarking of their industry	0	10	10
Number of clusters who have developed business strategies	0	3	8
Number of clusters with increased investments	0	0	3
Percentage increase in the value-added exports of targeted clusters relative to the industry sector as a whole	0	0	2%

U.S. Finance Table (Microsoft Excel)

U.S. Financing (In thousands of dollars)			
Program: Sri Lanka			
Title and Number: Improved Framework for Trade and Investment, 383-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	14,990 DA	6,099 DA	8,891 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	3,289 DA	5,485 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	18,279 DA	11,584 DA	6,695 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	500 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**500 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	18,779 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Sri Lanka			
Title and Number: Enhanced Economic and Social Opportunities for Disadvantaged Groups, 383-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	300 DA	0 DA	
	300 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	300 DA	0 DA	300 DA
	300 CSD	0 CSD	300 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	300 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	300 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	300 DA
	0 CSD	0 CSD	600 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Sri Lanka			
Title and Number: Increased Sri Lankan Competitiveness in the Global Marketplace, 383-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	2,750 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**2,750 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**3,000 DA**	**6,000** DA	11,750 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Sri Lanka

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	4,300	3,590	3,250	3,000
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	400	300	300	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	0	1,720	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**4,700**	**5,610**	**3,550**	**3,000**
Operating Expenses	1,664	1,325	782	900
Trust Funds	0	0	0	0
Total Operating Costs	**1,664**	**1,325**	**782**	**900**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	4	2	2	2
Other U.S. Citizen	0	0	1	1
FSN/TCN	38	21	19	19

Subtotal OE Funded	**42**	**23**	**22**	**22**
Program Funded*				
U.S. Citizen	1	0	0	0
FSN/TCN	2	3	3	3
Subtotal Program Funded	**3**	**3**	**3**	**3**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**45**	**26**	**25**	**25**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
383-004 Increased Sri Lankan Competitiveness in the Global Marketplace							
- DA	3,000	0	0	0	0	0	3,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	3,000	0	0	0	0	0	3,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Lisa Chiles

The United States Agency for International Development

VIETNAM

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

With a population of 76 million, Vietnam is the second-largest country in Southeast Asia, and the 13th largest in the world. Its people are young, well-educated and hard working. But after 1975, following the communist victory, Vietnam was closed to the world outside the Soviet bloc. Only in the late 1980s did the country open the door to the West and initiate its domestic economic reform program.

The Vietnamese struggle to achieve economic modernization and prosperity in line with its neighbors fits overall U.S. strategic goals to promote economic prosperity through the development of markets and business opportunities for U.S. businesses. Vietnam shows the potential of becoming a significant trading partner and emerging market for U.S. products and services. The U.S. also shares Vietnam's humanitarian concerns for disadvantaged groups such as those at high risk of contracting HIV/AIDS, the disabled, displaced children, and those susceptible to annual floods.

USAID's objectives to enhance the environment for trade and investment and to improve access to services for selected vulnerable groups are consistent with Mission Performance Plan (MPP) goals in open markets, economic development, humanitarian assistance and health.

The Development Challenge

A 1999 World Bank study indicated that Vietnam has made steady progress in reducing poverty in the 1990s, but still has a long ways to go. To its credit, from 1993-1998 Vietnam succeeded in decreasing the proportion of the population below the poverty line from 58% to 37%. However most of the population (76%) is rural where the poverty level reaches 45%. Per capita income remains very low at approximately $338. There are signs that the ability of the economy to absorb the growing labor force is weakening as urban unemployment climbed from 5.9% in 1996 to 7.4% in 1999, and in rural areas it climbed from 26.6% in 1996 to around 30% in 1999. According to the United Nations Development Program (UNDP), the infant mortality rate is 45 per thousand live births while the proportion of malnourished children under five is an astounding 45%. There are a number of vulnerable groups that are particularly hard hit: minorities in remote areas; victims of the annual floods that were particularly severe this year; victims of injuries from the war or the mines that were left behind; orphans and displaced children; and those that are at high risk of contacting HIV/AIDS.

Vietnam's economic success over the last decade is now threatened. The economic renewal program, initiated in the late 1980s, yielded unprecedented levels of Gross Domestic Product (GDP) growth--8 % per year on average between 1990 and 1997--and an impressive reduction in the share of the population living in acute poverty. This momentum of development is now threatened from two sources. First, the regional financial crisis has led to a halving of foreign direct investment flows and a sharp fall in export growth in 1998. Second, growth momentum has been slowing over the past three years as the vigor of the reform program has slackened, and the growth impact of the earlier reforms has faded. As a result, over the last two years Vietnam has experienced relatively low growth--around 4%--which has led to significant declines in employment, enterprise profitability, and public revenues, and is threatening the very progress made in

poverty reduction.

To restore prior levels of economic growth, Vietnam will need to accelerate its economic reform program, modernize its economy, and become a competitive trading partner in the regional and world economy. Vietnam's transitional economic status and its uncertainty in the way in which it can move from a socialist to a market economy are further reasons why the United States must encourage and provide support for this transition. USAID can play a significant role in helping Vietnam modernize. USAID can help Vietnam develop as a member of the world economy, open and liberalize its markets by learning and adopting principles of democracy, and buttress health and humanitarian support that improves the quality of life for the poor and disadvantaged.

Other Donors

In the 1999 Consultative Group meeting in Hanoi, donors pledged approximately $2.1 billion to Vietnam and indicated pledges could be increased up to $2.8 billion if Vietnam accelerates its economic reforms. Japan, the largest donor ($887 million), provides assistance primarily in infrastructure including highways, bridges, ports, hospitals, power generation and telecommunications. World Bank programs ($400 million) cover structural reform, irrigation and river basin management, power generation, agriculture and reforestation, primary education, and financial sector modernization. The Asian Development Bank programs ($260 million) include agricultural development, rural credit and financial sector reform, and road improvement. France ($97 million) emphasizes education, training, and water and solid waste management. The United Nations programs ($85 million) include humanitarian and food aid, health and family planning, rural development, public administration, and poverty alleviation. In 2000, the United States ranks twelfth in a group of 29 donors, with a contribution of $21.9 million, including $10 million P.L.480 Title I, $5 million from the Overseas Private Investment Corporation (OPIC), and $6.9 million grant assistance, primarily from USAID.

The United States Agency for International Development

Vietnam

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

In FY 2001, USAID will focus its programs in two areas: (1) enhancing the environment for trade and investment and (2) improving access to services for vulnerable groups.

USAID-funded technical experts will work with the Government of Vietnam (GVN) to build understanding among Vietnamese stakeholders in the public and private sectors on the necessary steps to liberalize the trade and investment framework and to assist in implementing the market reforms required under such a framework. USAID-funded assistance has already assisted in development of the companies law (enacted in late 1998) that has helped level the playing field for the private sector, and through provision of expert technical assistance helped accelerate negotiations for the U.S.-Vietnam bilateral trade agreement which reached agreement-in-principal in 1999. In FY 2001, USAID will continue to assist the GVN in implementing the free-market reforms required under the bilateral trade agreement, and to assist Vietnam in ascending to membership of the World Trade Organization (WTO).

Through the Accelerating Economic Recovery in Asia program, USAID will assist Vietnam in developing structural reforms needed for trade and investment such as financial sector reform, economic governance (accountability and transparency), and regional competitiveness. USAID's United States-Asia Environmental Partnership portfolio of activities, such as trade fairs, will continue to accelerate transfer of U. S. environmental technology designed to meet specific needs in Vietnam.

While accelerating economic liberalization and growth are key to Vietnam's future, it is important that the disadvantaged do not get left behind. USAID will continue to improve access to services for selected vulnerable groups including: victims of the annual floods; victims of injuries from the war or from land mines; orphans and displaced children; and those that are at high risk of contacting HIV/AIDS.

In Vietnam, floods are an annual event. For example two major floods in the central region in 1999 caused unprecedented damage in terms of property and lives. USAID's Office of Foreign Disaster Assistance (OFDA) provided over $750,000 in assistance for emergency relief and for construction of 1,400 concrete foundations for flood-resistant homes. In FY 2001, OFDA will continue to respond to these disasters as they occur and to assist Vietnam in preparing for these disasters and in mitigating the damage and destruction they cause.

Through a number of USAID grants, funded by the Leahy War Victims Fund (LWVF) and the Displaced Children and Orphans Fund (DCOF), U.S. Private and Voluntary Organizations (USPVOs) will continue to help improve opportunities to war victims and children at risk. For the war victims and victims of mines left by the war, activities will continue to focus on providing orthotic and prosthetic devices as well as rehabilitation for those in need of artificial limbs. The program will continue to promote barrier-free excess in building construction and increase the participation of the disabled in the decision-making process. The DCOF will place more emphasis on children with disabilities and develop local capacity to include them in the education process. Future programming under the LWVF and DCOF will place more emphasis on sustainability by building local capabilities to support these disabled groups, for example local production of prosthetic and orthotic devices and community support for children with disabilities.

Utilizing Asia Regional Development and Support funds, USAID will continue to support a regional HIV/AIDS program. In Vietnam, USPVOs will continue to work with the GVN's National AIDS Bureau (NAB) to improve its capacity to implement AIDS prevention programs. Focussing on provinces that border Cambodia and Laos, activities will include condom social marketing, communication for behavior change, sexually transmitted disease (STD) case management, and

policy-based interventions.

ACTIVITY DATA SHEET

PROGRAM: Vietnam
TITLE AND NUMBER: Enhanced Environment for Trade and Investment 440-006
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,250,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $2,000,000 DA
INITIAL OBLIGATION: FY 1997 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: It is widely recognized that if Vietnam is to achieve sustainable growth domestically and compete internationally, it will need to move from a controlled, centrally planned economy to one that permits freer and broader participation of the private sector. As part of this process it will need to develop and implement a wide range of reforms that will permit greater participation in the world economy. USAID has experience and a comparative advantage in providing technical assistance that may help Vietnam understand, develop, and implement trade reforms, including tariff and customs reforms, removal of non-tariff barriers, investment licensing and registration, intellectual property rights, market access, procurement reform, removal of anti-competitive policies, and improved accountability and transparency. This strategic objective enables USAID to respond as opportunities and openings with the GVN arise. This objective is consistent with MPP goals to open Vietnam's markets to free the flow of goods, services, and capital; and to promote broad-based growth in Vietnam's developing and transitional economy. With the development of a long-term strategy for Vietnam's economic development in mind, the program will contribute to the attainment of transparency, due process, accountability and market-based principles for Vietnam. To date, USAID has responded to opportunities in trade and investment policy and in developing a companies law.

Key Results: With USAID-funded technical assistance, Vietnam developed a draft companies law designed to level the playing field for the private sector. This was incorporated into the broader Enterprises Law passed by the National Assembly in 1999. USAID-supported assistance to the Ministry of Trade contributed to acceleration of negotiations for the U.S.-Vietnam Trade Agreement, leading to an agreement-in-principal in 1999.

Performance and Prospects: The US-Vietnam bilateral trade agreement is considered to be one of the most complex ever negotiated. It not only involves trade in goods and services, but also includes investment and intellectual property rights. Furthermore it requires Vietnam to make a broad range of reforms that, when implemented, will fundamentally change how Vietnam conducts its business. These reforms include: substantial reductions in tariffs; transparency in government procurement; uniform implementation of standards, taxes, and dispute resolution; removal of quotas; market access rights; elimination of trade-related investment restrictions; and acceptance of WTO rules on customs valuation, intellectual property rights and trade in services.

USAID's trade policy activity under this strategic objective is providing technical assistance designed to give Vietnam a better understanding of the role that international standards and the rule of law play in underpinning a successful free market economy. The program provides key Vietnamese officials with a better familiarity of the policies, concepts, regulations, and benefits associated with commercial legal reform, particularly as they relate to trade in goods, trade in services, investment, and intellectual property rights. The program helps understand the principles and commitments of international trade regimes; how existing laws and practices relate; and provides technical and substantive assistance in developing new laws and regulations which are compatible with international trade and investment norms and are beneficial to economic development.

USAID-supported international trade attorneys from U.S.-based law offices have conducted technical assistance sessions for various ministries and government offices responsible for Vietnam's economic integration. With ongoing support and participation from the private sector, the program provides comparative information on other U.S. trade and investment treaty partners and WTO members, particularly other transitional economies; facilitates strong awareness of detailed requirements for Vietnam's bilateral trade agreement with the U.S. and WTO accession; and identifies and builds capacity in legal reforms to ensure effective transition for Vietnam's goal of international integration and a more market-based economy with effective regulation.

At present, technical assistance is helping to conclude the U.S.-Vietnam trade agreement, and to identify and draft laws

that will help prepare for the smooth implementation of the agreement. Assistance will continue to help Vietnam understand, develop and implement the reforms required under the bilateral trade agreement (such as those listed above), and to assist Vietnam in meeting the numerous requirements for WTO membership.

Through the Accelerating Economic Recovery in Asia SO, USAID will assist Vietnam in developing structural reforms needed for trade and investment such as financial sector reform, economic governance (accountability and transparency), and regional competitiveness. USAID's United States-Asia Environmental Partnership portfolio of activities such as trade fairs that will continue to accelerate transfer of U. S. environmental technology designed to address specific problems in Vietnam.

Possible Adjustments to Plans: None.

Other Donor Programs: The World Bank policy agenda for economic growth focuses on three areas: creating a sound banking system, reforming the state enterprise system, and opening up international trade. While the World Bank and the Asian Development Bank (ADB) are active in modernizing the banking system and are encouraging state enterprise reform, USAID's support for the bilateral trade agreement and related reforms are considered central to opening up international trade.

Principal Contractors, Grantees or Agencies: Coopers and Lybrand, and the US-Vietnam Trade Council.

Selected Performance Measures:	**Baseline (1997)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Companies Law enacted	No	Yes	Yes	Yes	Yes
Trade Agreement issues resolved	0	5	20	15	-
Agreement-in-Principal for the U.S.-Vietnam Bilateral Trade Agreement	No	No	Yes	Yes	Yes
U.S.-Vietnam Bilateral Trade Agreement signed	No	No	No	Yes	Yes
Trade and investment procedures approved	0	0	0	8	10

These indicators track with the process of completing and implementing the U.S.-Vietnam bilateral trade agreement by reaching agreement in principal, resolving remaining issues surrounding the trade agreement, formal signing of the agreement itself, and developing and getting approval of trade and investment procedures.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Vietnam
TITLE AND NUMBER: Improved Access to Services for Selected Vulnerable Groups 440-007
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,500,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1991 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: While accelerating economic liberalization and growth are key to Vietnam's future, it is important that the disadvantaged do not get left behind. Under this Strategic Objective, USAID provides support to selected vulnerable groups with a view to improve opportunities for them to lead more productive lives. These groups include: victims of the annual floods; victims of injuries from the war or the mines; orphans and displaced children; and those that are at high risk of contracting HIV/AIDS.

Through this strategic objective, USAID is able to provide assistance utilizing resources from the Leahy War Victims Fund (LWVF), the Displaced Children and Orphans Fund (DOCF), the Asia Regional HIV/AIDS program, and resources from the Office of Foreign Disaster Assistance (OFDA). This objective is consistent with MPP goals to prevent or minimize human costs of conflict and natural disasters in the region, and to enhance the health status of the Vietnamese people through programmatic and policy support.

Key Results: As a result of an LWVF initiated barrier-free access initiative, the GVN mandated that the ongoing construction of the new Hanoi international airport be changed to incorporate barrier-free design standards. The DCOF

played a leading role in the recent policy shift from institutional to community-based care for disabled children. The regional HIV/AIDS program supported the initiation of a condom social marketing program. In response to annual floods, OFDA provided assistance for construction of 1,400 flood resistant homes.

Performance and Prospects: Through a number of USAID grants, funded by the Leahy War Victims Fund and the Displaced Children and Orphans Fund, USPVOs help improve opportunities to war victims and children at risk. Under the LWVF, numerous U.S. barrier-free design experts were brought to Vietnam to assess and then advise on how open physical access for persons with disabilities could be incorporated into traditional Vietnamese construction techniques. The program also recently completed the upgrading of Bach Mai Hospital in Hanoi to address the increasingly large gap in orthotic services, especially for children. This facility, located at Hanoi's leading teaching hospital, will not only provide direct services to thousands of children a year, but will also house a mobile orthotic unit capable of taking services directly to the beneficiaries. In addition the program introduced a newly designed prosthetic foot that is stronger and more durable than those currently used in Vietnam. This has significant implications on the provision of limbs, as the foot piece is currently the weakest component in the limb system. A broken foot piece necessitates a costly return to the rehabilitation center, since prosthetic feet only last for 6-12 months, as opposed to a mean wear of 3 years for other components. Assistance will continue to strengthen local capabilities to provide services to the disabled including improved policies and local prosthetic production capabilities.

The DCOF is placing more emphasis on supporting children with disabilities. Targeting children with hearing disabilities, over 295 children have been identified with hearing impairments through basic screening techniques and over 250 teachers and government staff have received training on how to mainstream these children into regular classrooms. Two key training manuals have been translated, have been accepted by the Vietnamese government, and are being used as core materials for courses in community-based rehabilitation. In addition, two programs are underway to train trainers of elementary school teachers in inclusive education and non-formal education teachers in vocational rehabilitation for adolescents with disabilities. Future assistance will continue to emphasize mainstreaming of children with disabilities, leading to more productive lives. USAID's HIV/AIDS program works closely with the National AIDS Bureau (NAB) of Vietnam to improve its capacity to implement AIDS prevention activities. The project consists of ongoing support for condom social marketing, as well as support at the national level and in two provinces for communication for behavior change, STD case management, and policy-based interventions. The technical assistance has supported a national condom social marketing project, helped plan a behavioral surveillance survey for Vietnam and helped the GVN establish an AIDS Hotline. In addition to the national-level interventions, the program will be working intensively in four provinces. HIV/AIDS prevention programs in these provinces will be developed based on the results of a rapid situation analysis now underway.

In FY 1999, OFDA provided assistance to respond to the impacts of flood and drought throughout Vietnam. This assistance included a seeds and tools activity in flood affected areas of central Vietnam implemented through the U. N. Development Program, and funding to support the local purchase and distribution of relief assistance and supplies through the Red Cross. In order to mitigate the impacts of floods in the future, OFDA has supported two separate technical assistance activities. First, OFDA has provided support for the National Oceanic and Atmospheric Administration/National Weather Service (NOAA/NWS) to travel to Vietnam to develop a proposal and implementation plan for a Red River flood forecasting and early warning system. Second, OFDA has supported the U. S. Army Corps of Engineers (USACE) to provide technical assistance to the Government of Vietnam on specialized construction techniques for flood control and mitigation. The USACE visited sites in North, Central, and South Vietnam and are preparing a report with recommendations for improved river and sea dyke management and construction. In FY 2001, OFDA will continue to assist Vietnam in disaster preparation and flood mitigation to reduce the extensive annual damage of these disasters.

Possible Adjustment to Plans: None.

Other Donors Program: USAID is the lead donor in providing assistance to the disabled. The United Nations Agencies comprise the principal donor in the health sectors providing over $15 million for child primary health care and nutrition, immunizations, family planning and reproductive health care. The UN is also one of the principal donors for humanitarian and food relief. In addition, many bilateral donors are active in disaster assistance including Belgium, Italy, Netherlands, New Zealand, Switzerland, United Kingdom and the United States.

Principal Contractors, Grantees or Agencies: Vietnam Assistance to the Handicapped, Vietnam Veterans of America Foundation, Prosthetics Outreach Foundation, Health Volunteers Overseas, World Vision Relief and Development, Catholic Relief Services, Family Health International, International Federation of the Red Cross, National Oceanic and Atmospheric Administration/National Weather Service, and the U.S. Army Corps of Engineers.

Selected Performance Measures:	Baseline (1997)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Orthopedic Devices fitted and delivered	0	50,000	55,000	60,000	65,000
Children provided with critically needed services or protection	0	9,000	10,000	11,000	12,000

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Vietnam			
Title and Number: Enhanced Environment for Trade and Investment. 440-006			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	500 DA	376 DA	124 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	124 DA	
	0 CSD	0 CSD	
	1,239 ESF	318 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	500 DA	500 DA	0 DA
	0 CSD	0 CSD	0 CSD
	1,239 ESF	318 ESF	921 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,250 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,250 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**2,000 DA**	5,761 DA	9,511 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	1,239 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Vietnam			
Title and Number: Improved Access to Services for Selected Vulnerable Groups 440-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	16,938 DA	15,042 DA	1,896 DA
	1,500 CSD	0 CSD	1,500 CSD
	1,184 ESF	1,184 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DCA	0 DCA	0 DCA
Fiscal Year 19	1,736 DA	2,062 DA	
	1,906 CSD	1,669 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DCA	0 DCA	
Through Sept	18,674 DA	17,104 DA	1,570 DA
	3,406 CSD	1,669 CSD	1,737 CSD
	1,184 ESF	1,184 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DCA	0 DCA	0 DCA
Prior Year Un	562 DA		
	1,444 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DCA		
Planned Fisca	0 DA		
	1,500 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DCA		
Total Planne	**562 DA**		
	2,944 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DCA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	2,826 DA	22,062 DA
	0 CSD	2,910 CSD	9,260 CSD
	0 ESF	0 ESF	1,184 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DCA	0 DCA	0 DCA

The United States Agency for International Development

Vietnam

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	1,150	1,500	1,250	2,000
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	1,850	1,500	1,500	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**3,000**	**3,000**	**2,750**	**2,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0

Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
440-006 Enhanced Environment for Trade and Investment							
- DA	2,000	0	0	0	0	0	2,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	2,000	0	0	0	0	0	2,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0

The United States Agency for International Development

WEST BANK/GAZA

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
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Introduction

The U.S. Government committed to provide $375 million over a 5-year period (FY 1994-FY 1998) through USAID for a program of assistance to the Palestinian people following the September 1993 signing of the "Declaration of Principles on Interim Self-Governing Arrangements" by the Palestinian Liberation Organization (PLO) and the Government of Israel. USAID's $75 million annual budget was maintained through FY 1999 and increased in FY 2000 to $85 million. To date, USAID assistance has coincided with an interim, transitional period of expanding Palestinian self-governance while the Israeli-Palestinian peace process continued. As a result of the progress achieved in the September 1998 Wye River Memorandum, the U.S. Government pledged $400 million in assistance to the Palestinians over a three-year period (FY 2000-2002) in addition to our ongoing annual assistance. Prime Minister Barak's election in May 1999 reinvigorated the peace process, by implementing commitments in the Wye River Memorandum and promoting final status negotiations. The USAID assistance program, which demonstrates the U.S. commitment to economic development in the West Bank and Gaza, is an essential element of the U.S. Government strategy for long-term peace built on a foundation of regional stability, economic prosperity and adherence to democratic principles.

The Development Challenge

The USAID West Bank and Gaza program is designed to promote long-term, sustainable development for the Palestinian population. Some of the basic constraints to development in the West Bank and Gaza include: nascent institutions of governance; limited modern infrastructure; limited natural resources (especially water); geographic separation of the West Bank and Gaza; and a rapidly expanding population. In response to these challenges, since FY 1996 USAID resources have been concentrated in three strategic areas related to private sector growth, water resources, and democracy/governance. In addition, in FY 1999 USAID added activities in two areas: maternal/child health and community services. Wye Supplemental funds will permit USAID to expand these existing programs to more underserved segments of the population and to address important components of a growing economy, including access to higher education and improved road infrastructure. The plans for use of the Wye funds are discussed in each Activity Data Sheet and summarized under "Possible Adjustments to Plans."

Mission Strategic Objective #1: Expanded Economic Opportunities. According to analyses conducted by the United Nations, real per capita gross national product (GNP) in the West Bank and Gaza fell from approximately $2,500 in 1992 to approximately $1,600 in 1998. Unemployment is currently 14% and poverty around 20% (both are higher in Gaza). Although distressing, these figures are improvements over the situation in 1995. The favorable developments are the result of increasing numbers of Palestinians crossing into Israel for work and increased growth in the private sector. Although border and mobility restrictions have lessened as a result of improvements in the peace process, such restrictions still reduce commercial activity by delaying movement of goods and increasing handling costs. USAID programs address constraints to private sector growth that are particularly important in this environment, specifically by increasing access to credit, by expanding export market access and local market share of Palestinian firms, and by supporting the development of a transparent and comprehensive regulatory framework conducive to investment. The

notable results expected include an expansion in the number of commercial banks and microenterprise loans, increasing sales for assisted firms, including firms in the Gaza Industrial Estate, a stronger regulatory environment to promote business and commerce, organization of several new industrial zones in the West Bank and Gaza, entry of additional graduate business education participants and progress in a major inter-urban road system.

Mission Strategic Objective #2: Increased Access to and More Efficient Use of Scarce Water Resources. A grossly inadequate supply of water for household consumption, agricultural production and industrial development is a major obstacle to long-term sustainable development in the West Bank and Gaza. Per capita water consumption in many parts of the West Bank and Gaza is less than 50 liters per day. By contrast, the World Health Organization (WHO) has established a minimum per capita standard of 100 liters per day for small rural households. The difficulty of bridging the gap between potential demand and available supply of water for Palestinians in the West Bank and Gaza will be further exacerbated by anticipated high rates of population growth. Article 40 of the Interim Agreement negotiated between the Palestinians and Israel in 1995 established an operational framework for addressing the acute basic water requirements of Palestinians living in the West Bank and Gaza. Since 1996, USAID-funded activities have directly supported implementation of the water aspects of the Interim Agreement. USAID has recently completed several major water and wastewater infrastructure projects which double the daily consumption of water in the Hebron-Bethlehem region, significantly improve the control of wastewater and its effective reuse in Gaza, and increase the access to water in 11 villages near Jenin. Activities planned over the next several years under this SO are aimed at developing and implementing a long-term sustainable solution to the problem.

Mission Strategic Objective #3: More Responsive and Accountable Governance. Following the initial establishment of the Palestinian Authority (PA) and the 1996 elections, USAID has assisted the Palestinians to focus on further transition towards self-rule, through the establishment of a governmental system based on democratic checks and balances, and the development of accountable and transparent governance. USAID assistance has already had a widespread influence on the evolution of a more balanced division of political power. Civil society organizations are increasing access to decision-making, the Palestinian legislature is consulting with its constituents and voters are receiving training in democratic political concepts. In addition, a new program to strengthen the rule of law by support to the judiciary was initiated in FY 1999. The USAID program aims to help develop a vibrant civil society with an active role in the decision-making process and to assist the Palestinian Authority, including the executive, legislative, and judicial branches, develop technical proficiency and institutional stability. Additional resources in FY 2000 and FY 2001 will be invested in improving the still nascent Palestinian institutions.

Mission Special Objective 2: Selected Development Needs Addressed. Between 1996 and 1999, USAID responded to important political initiatives through this Special Objective. For example, as a result of the Hebron Protocol, in FY 1997, USAID funded the renovation of Shuhada Road, a main Palestinian thoroughfare in Hebron. In the fourth quarter of FY 1999, USAID initiated assistance in the areas of community services and health under this SpO. In FY 2000 and FY 2001, up to $100 million may be provided under this Special Objective to facilitate implementation of the Wye River Memorandum. Assistance may include: support for people-to-people programming, funding for facilities and equipment for the seaport, airport and border checkpoints to encourage the movement of goods.

Mission Strategic Objective #7: Maternal-Child Health Care Improvements Demonstrated. The most serious health problems facing mothers and children in the West Bank and Gaza derive from high fertility with short birth intervals, along with weaknesses in clinical and outreach services. Rapid population growth is a major impediment to economic growth and social stability. A new pilot activity was initiated in FY 1999 which will test methodologies for delivering effective health services to woman and children, as well as to examine conditions and services in other areas of the health sector which impact on maternal-child health. USAID will expand its maternal-child health activity in FY 2000 and FY 2001, which will increase delivery of family planning services and health care for mothers and babies.

Mission Strategic Objective #8: Community Services. Inadequate access to basic services -- along with high unemployment and low income levels -- are factors which lead to despair and frustration at the community level, and which can undermine popular support for peace initiatives. USAID support will revitalize community-level infrastructure, improve basic services, and reach disadvantaged groups. U.S. private voluntary organizations (PVOs) will implement much of the program through grassroots-based activities designed to meet needs identified by communities themselves. Initiated in FY 1999, the community services program will be expanded in FY 2000 and FY 2001 to encompass more villages and a larger portion of the lower income Palestinian population in the West Bank and Gaza.

Other Donors

At the October 1993 Conference to Support the Middle East Peace Process, donors pledged $2.4 billion in assistance to the Palestinian people. For the 1994-1998 period, total pledges reached $4.2 billion and total disbursements equaled $2.5 billion. An additional $3 billion was pledged by the international community at the start of FY 1999.

Given the combination of political and financial resources dedicated to the Palestinian-Israeli peace process, the U.S. Government, Germany, Japan, the European Union, Norway, the World Bank and the IMF are considered the lead donors in the West Bank and Gaza. In coordination with other donors, the World Bank and the International Monetary Fund (IMF) have taken lead roles in the economic restructuring of the Palestinian economy. Donor programs are coordinated in local area working groups and have assisted the PA to strengthen key institutions, adopt a modern legal framework, develop road and water infrastructure, and provide social services for the disadvantaged.

The United States Agency for International Development

West Bank/Gaza

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

In FY 2001, USAID intends to finance:

- lending for small and microenterprises, support for Palestinian business organizations, development of infrastructure at two industrial estates, technical assistance to strengthen the Palestinian Industrial and Free Zone Authority, higher education training, road construction, and policy initiatives to improve the legal and regulatory framework; (S0 1)
- development of new water supplies for household consumption and village water distribution systems, testing and improving the quality of potable water, repairing and installing transmission/distribution and waste/storm water systems, and promotion of more efficient allocation of all water resources (potable and non-potable) for domestic and commercial uses; (SO 2)
- enhancement of citizens' capacity to participate in and influence the governing process through support for local civil society organizations, and development of democratic institutions (the legislature, judiciary and local government entities) to better meet the needs of Palestinians in a transparent and efficient manner; (SO 3)
- improvements in maternal child health care services provision; (SO 7)
- increased and improved community services responding directly to a range of priority service needs as defined by Palestinian communities; (SO 8) and
- selected development needs. (SpO 2)

ACTIVITY DATA SHEET

PROGRAM: West Bank and Gaza
TITLE AND NUMBER: Expanded Economic Opportunities, 294-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $159,025,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $10,731,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2004 **Summary:** The Palestinian economy is characterized by high and fluctuating levels of unemployment and under-employment; limited access to labor markets in Israel; unreliable passage for manufactured inputs and final products, especially in times of border closures; limited regional trade; low productivity; constraints to credit, particularly for microenterprises; and an undefined legal and regulatory framework that undermines investor confidence. USAID's program addresses these issues, focusing on the private sector as the key to long-term stability and growth in the West Bank and Gaza.

The goal of USAID's program is to increase the efficiency, profitability, and transparency of the Palestinian commercial sector and increase the availability of capital to small and micro-enterprises. USAID'S program helps increase sales of Palestinian firms by strengthening select industry associations and providing firm-level assistance. Microenterprises have better access to financial services as a result of USAID's provision of loan capital to NGO micro-lenders and training to commercial banks in micro-lending methodologies. The Palestinian economy benefits from increased commercial transparency and the adoption of internationally-accepted standards, which result in more efficient financial transactions.

USAID is building on high levels of Palestinian entrepreneurship and existing comparative advantages in specific industry segments to enhance economic opportunities for Palestinians and provide tangible results to increase support for the peace process.

Key Results: USAID's private sector program aims to achieve the following results: (1) increased small and micro-enterprise access to financial services, (2) increased access to markets by the industrial and service sectors, and (3) economic regulatory institutions are operating effectively.

Performance and Prospects: To improve the access of small and micro-enterprises to financial services, USAID has provided technical assistance to participating banks and funded working capital loans for micro-enterprises. A formal financial sector micro-credit mechanism began in FY 1998 with loan capital of $6 million provided by participating banks; USAID provided financing for technical support and a small percentage of start-up costs. Loans have averaged $2,000 each. To date, the banks have disbursed approximately $10 million of their own funds in loan capital to micro-borrowers. This activity expanded from four to eight branches in FY 1999. In FY 2000, two new banks will be added and the number of branches will expand from eight to twelve. Participating banks will provide an additional $6 million in loan capital. In addition, the bank-based program will be extended to reach lower loan value customers, which will increase competition, lower interest rates, improve the level of financial services available, and ensure a sustainable source of micro-credit.

Since FY 1997, USAID has financed approximately 19,000 micro-loans (valued at $7 million) through United Nations (UN) and private voluntary organizations (PVO) intermediaries. Through a grant to Save the Children, USAID supports a local micro-credit non-governmental organization (NGO) in lending directly to micro-borrowers. USAID's PVO programming focuses on poorer segments of the borrower population (generally women) and provides loans ranging between $300 and $1,000. In FY 2000 and FY 2001, the Mission may fund new activities, or further support on-going ones, as a result of a micro-lending demand study undertaken in 1999.

Since 1994, USAID has assisted Palestinian firms to access foreign and domestic markets by improving marketing practices, management and productivity. By the end of USAID's first phase of support in late 1999, the business skills of 3,200 Palestinian managers were upgraded and more than twenty leading Palestinian firms were assisted in becoming certified in internal export standard (ISO) 9000 or other relevant international export standards. Second phase assistance has begun to strengthen key industry associations, such as marble and stone, information technology, and tourism, which are linked to increasing private sector-led, export-oriented growth. Support will also be provided in the areas of agribusiness and trade harmonization.

In December 1999, Paltrade, a Palestinian trade organization supported by USAID, hosted the first Palestinian trade fair in Israel. The fair attracted thousands of buyers and generated more than $14 million in sales. Paltrade continues to play an advocacy role for the Palestinian private sector by hosting trade dialogue conferences to positively impact commercial policies. USAID may provide additional support to Paltrade in FY 2000.

In addition, USAID technical assistance and infrastructure financing has made it possible to establish a border industrial estate in Gaza. The Gaza Industrial Estate (GIE) provides greater access to foreign markets for firms located there. Since its opening in early 1999, seventeen manufacturers, employing one thousand workers (50% female) have generated $5 million in export sales. Second phase GIE construction will begin in 2000 with 20 new tenants already signed on. In FY 2000 and FY 2001 USAID will support additional assistance to the Palestinian Industrial and Free Zone Authority (PIFZA) to help build capacity to promote, regulate, and maintain industrial zones. Also, in FY 2000 and FY 2001, USAID will fund feasibility studies to support the development of future estate sites.

Beginning in 1996, USAID provided assistance to develop the commercial legal and regulatory framework in the West Bank and Gaza. Assistance to date has resulted in an overall legal and regulatory framework for industrial zone development and operation, and completion of a draft accounting law consistent with international accounting standards. In late 1999, USAID initiated a program to facilitate the adoption of internationally acceptable accounting and auditing standards. Groundwork has been laid in the development of private sector accounting and auditing governing and oversight bodies. In FY 2000 and FY 2001, USAID will continue to support the adoption of internationally accepted accounting and auditing standards by assisting in their development, promulgation, and integration into daily business practices. Assistance over FY 2000 and FY 2001 will help establish private accounting and auditing organizations, professional licensing requirements, and a process for peer review.

Support to the Palestinian Monetary Authority (PMA) (Central Bank) has promoted the adoption of internationally recognized bank supervision standards to ensure regulatory compliance. USAID assistance has helped clarify the role of the PMA in the supervision of non-Palestinian banks operating in the West Bank and Gaza and strengthened its capacity

to identify "problem" banks through the development of a bank supervision manual. In FY 2000 and FY 2001, incremental funding will support on-going assistance emphasizing skills upgrading for PMA staff and improving on-site and off-site inspection procedures.

Starting in FY 2000, USAID will help create a regulatory body to oversee the transparent development and operation of a capital market. Assistance will be provided to monitor trading on the Palestinian Securities Exchange, enforce professional standards, and train brokerage and regulatory staff. USAID will fund on-going assistance in this area in FY 2001.

Possible Adjustments to Plans/Wye Funding: In FY 2000 - FY 2001, up to $100 million in Wye supplemental funds may be used to construct a connector road between Nablus and Jenin - two main centers of commerce in the West Bank. In addition, to address the low number of skilled managers in key business sectors, up to $30 million in Wye funds will support U.S.-based master degree education for qualified Palestinians. Further, up to $20 million from the Wye funding package will support the development of off-site infrastructure (water and electricity connections, compact sewerage treatment plant) and limited on-site infrastructure (multi-tenant workspace and training facility) at a high technology industrial estate in the West Bank town of Tulkarm, as well as container-storage and common bonded warehouse facilities at the GIE.

Other Donor Programs: Between 1994 and 1999, USAID provided approximately $70 million in assistance to support increased economic growth in the West Bank and Gaza. The European Union and the UK have funded programs providing loans to small businesses, excluding microenterprises. Along with USAID, the World Bank is providing assistance related to industrial zone development. The World Bank has begun implementation of an initiative focused on improving the private sector legal framework and commercial regulations and tracks the status of key commercial legislation.

Principal Contractors, Grantees, or Agencies: USAID is implementing activities through U.S. firms (Development Alternatives International, The Services Group, Metcalf & Eddy, The Barents Group, Deloitte Touche Tomatsu, and Chemonics), U.S. NGOs (the Save the Children Federation), a Palestinian NGO (Paltrade), and the Palestinian private sector (local banks).

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Value of total sales in assisted firms	$69 M (1995)	$101 M	$104 M	$108 M
Ind. Estate production shipments	$0 (1996)	$5 M	$15 M	$16 M
Regulatory agencies strengthened	0 (1999)	0	1	2
No. of trainees in U.S. on masters program	0 (1999)	N/A	20	40

NOTE: The FY 2001 obligation plan for this SO totals $143,731,000 in ESF, composed of $10,731,000 in FY 2001 NOA and $133,000,000 in Wye funds.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: West Bank and Gaza
TITLE AND NUMBER: Greater Access to and More Effective Use of Scarce Water Resources, 294-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $90,875,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $60,875,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2005

Summary: The goal of USAID's water sector strategic objective is to increase the quantity and improve the quality of water available to Palestinians in the West Bank and Gaza. Availability of water for household consumption, agricultural production and industrial development in the West Bank and Gaza is the lowest in the region and constitutes a major obstacle to sustainable economic growth and development for Palestinian populations. Water is also a key issue in the ongoing permanent status negotiations between Israel and the Palestinians.

In many parts of the West Bank and Gaza, the existing water supply system can only provide for average daily consumption of less than 50 liters per capita. By comparison, the World Health Organization (WHO) has established a minimum per capita standard of 100 liters per day for small rural households. Effective long-term resolution of the water shortage problem in the West Bank and Gaza will require a combination of rapid development of new water sources and implementation of more effective and efficient water distribution and management systems. Achieving even the minimum per capita standard for Palestinian populations in the West Bank and Gaza is a daunting development challenge with significant implications for prospects of long-term economic growth and stability in the region.

Key Results: Activities funded under this SO contribute to achievement of three intermediate results: (1) increased water supply from conventional sources, (2) integrated management of water resources, and (3) implementation of market-oriented allocation mechanisms.

Performance and Prospects: Implementation of this SO is planned in three overlapping phases over a period of 5-10 years. The first phase began in 1996 after the signing of the Oslo agreement and will be largely completed by 2000. In the West Bank, Phase I activities have focussed on increasing production from groundwater sources, augmenting the capacity of water transmission and distribution systems, and improving understanding and management of the principal aquifers. In Gaza, Phase I activities have focused on protecting the fragile coastal aquifer, instituting emergency measures to address specific problems, and developing a comprehensive long term water resources management initiative.

Despite substantial delays and cost overruns due to difficulties in obtaining drilling permits and other authorizations from the Government of Israel, overall performance of this SO has been at or above expectations. Through the end of 1999, major accomplishments in the West Bank include: construction and commissioning of four new large-scale production wells with a combined annual capacity of 8.5 million cubic meters of water; installation of new bulk water transmission mains; and construction of reservoirs and booster stations to handle 87 million cubic meters of water. More than 300,000 residents of the Bethlehem-Hebron areas have directly benefited from USAID funded water production and delivery assistance. In addition, USAID funded the development of village water systems in the Jenin area, bringing running water to villages for the first time.

In Gaza, significant accomplishments under this SO include development of a USAID funded master plan to guide sustainable development and integrated management of the fragile coastal aquifer system, doubling of the capacity of the Gaza City Wastewater Treatment Plant to 32,000 cubic meters/day, expansion and upgrading of the Sheikh Radwan Stormwater Reservoir, and establishment of a storm water infiltration basin site and construction of a new public park on the site. USAID-funded activities have provided improved services for more than 325,000 residents in and around Gaza City.

Prospects for continued success under this SO remain excellent. A second generation of USAID funded activities to increase water supplies from conventional sources began in FY 1999. In the West Bank, surveying, modeling, and design work have been completed for construction and commissioning of up to ten additional new production well sites (including two new production wells near Bethlehem) and associated storage and transmission systems, village distribution networks and monitoring wells to provide between 15 and 20 million additional cubic meters of water per year. Full-scale construction of new well systems will begin in 2000.

To promote integrated water management practices, USAID began implementation in Gaza in FY 1998 of a new Coastal Aquifer Management Program (CAMP) to reestablish the aquifer as a sustainable source of safe drinking water. In FY 2000 and FY 2001, CAMP will support development of innovative systems related to well system management, aquifer protection, non-conventional water supply (e.g., desalination), recharge of aquifers, and reuse of treated wastewater. In FY 2000, USAID will also begin development and implementation of a similar integrated aquifer protection program for the West Bank, including interventions related to industrial waste management and wastewater treatment facilities in Hebron, and rural integrated waste (solid and water) management systems. Further, in FY 2001, USAID will assist municipalities to strengthen their institutional capacity and improve the level of services and maintenance which they provide in water-related areas.

To establish market-oriented allocation mechanisms, USAID is enhancing the capacity of Palestinian organizations to develop plans and enact policies and regulations that reflect the economic, social, health and environmental implications of water use; establish appropriate tariff structures; and collect/re-invest revenues. These efforts are to some extent incorporated into the activities cited above. In addition, in FY 2000, USAID will initiate specific activities to improve the operations and maintenance capacity and administrative and planning systems of municipalities and utilities.

Possible Adjustments to Plans/Wye Funding: Approximately $30 million of Wye funding will be used to augment USAID's water resources program. Funds will be used to implement village water distribution activities to provide access

to clean, potable water to villages where there is currently no piped water system or where the existing system is inadequate. The focus will be on villages which can be hooked up to transmission lines funded by USAID.

Other Donor Programs: Since 1994, the water sector has been the largest recipient of international donor funding for the West Bank and Gaza. Through 1998, total donor support for water projects was approximately $314 million, of which USAID contributed approximately $145 million. USAID is considered the primary donor in the sector, and the U.S.G. has and will continue to play an essential leadership and guidance role. Other major donors in the sector include Germany, Norway, France, the United Kingdom, Japan, Italy and the World Bank.

Principal Contractors, Grantees, or Agencies: Camp, Dresser & McKee (CDM), Metcalf & Eddy (M&E), and CH2M Hill are the principal U.S. contractors. U.S. private voluntary organizations (Save the Children Federation and American Near East Refugee Aid) and the United Nations Development Program also play significant roles.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Metered per capita daily water consumption in selected areas	71.8 liters (1997)	N/A	84	116 (2002)
Increased annual potable water supply from new wells developed with USAID assistance	0 million m^3 (1995/6)	10 M m^3	10 M m^3	19 M m^3
Cumulative number of new production wells in operation (USAID only)	0 (1995/6)	5	7	11
Cumulative population in areas served by distribution systems improved by USAID	0 (1995/6)	222,000	233,000	242,000
Cumulative population in areas served by transmission systems improved by USAID	0 (1995/6)	313,000	325,000	338,000
Number of brackish/desalination systems established with USAID support	0 (1995/6)	2	3	3
Population of communities served by USAID funded wastewater facilities	0	400,000	416,000	432,000

NOTE: The FY 2001 obligation plan for this SO is $80,875,000 in ESF composed of $60,875,000 in FY 2001 NOA and $20 million in Wye funds.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: West Bank and Gaza
TITLE AND NUMBER: More Responsive and Accountable Governance, 294-003
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $43,100,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $16,600,000 ESF
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The exercise of basic freedoms such as free speech, as well as venues for citizen input into the decision making process, continue to be key issues in the West Bank and Gaza. Through its programs, USAID is responding to critical governance needs and supporting Palestinian efforts to establish a democratic society. USAID supports nascent government structures within the various branches and levels of government, especially those related to constituent representation, rule of law and local government. Support is also provided to civil society organizations that represent citizen concerns before these institutions.

Four years after the elections that led to an elected Palestinian Council (PC) and Executive Authority head, the democracy and governance portfolio includes activities that focus on the efficient and effective functioning of PA institutions as well as strengthening representative civil society organizations to constructively interact with these institutions. Additional support to broadcast media will complement ongoing efforts to strengthen the print media, and a new rule of law program will enhance the capacity of the judicial sector to safeguard the rights of Palestinians through due process mechanisms. A second phase local government program will help promote an enabling environment for decentralization.

Key Results: Four intermediate results contribute to this objective: (1) increased participation of civil society organizations in public decision-making and government oversight, (2) enhanced legislative capacity, (3) foundation for decentralized local government in place, (4) elements of a more effective judiciary in place.

Performance and Prospects: To increase the participation of civil society organizations in public decision-making and government oversight, USAID is: strengthening local non-governmental organizations' management capacity and their capacity to exercise government oversight, policy analysis and advocacy roles; enhancing the skills of, and creating the foundations for, an independent media; and encouraging the dissemination of information to the public. USAID's activities to date have resulted in: widespread town hall meetings allowing constituents to express their concerns to Council, Executive and local government representatives; the appointment of high-level female policy-makers to municipal governments and local councils; stronger independent television stations; support for two USAID-established media resource centers to train journalists and broaden their professional skills; civic education sessions targeting rural populations and women; and successful advocacy for the development of a family rights law which improves the status of women.

These programs are conducted through the Department of State's Public Diplomacy Section (formerly the United States Information Agency) and local and international non-governmental organizations, which currently include six local civil society organizations and two international organizations partnered with local groups. In FY 2000 and FY 2001, USAID will broaden its support for civil society organizations that positively impact public decision-making and monitor the executive and legislative branches, and that promote increased civic and political participation of marginalized areas and groups. In addition, USAID will give greater attention to capacity building among civil society organizations.

To enhance the capability of the PC to perform the functions of a legislative body, USAID is supporting the development of key administrative systems, increasing the PC's ability to draft and review legislation, enhancing their skills in reviewing and monitoring the Executive's budget and overall performance, and providing assistance to improve PC responsiveness to its constituents. A U.S. contractor and a U.S. grantee are currently implementing these programs. First phase assistance was completed in September 1999 and helped the PC to establish transparent procedures for record-keeping and tracking constituent inquiries, draft and review key laws, develop a functioning/non-partisan parliamentary research unit for collecting and analyzing background data for new legislation, and review of the executive's annual budget.

Second phase assistance, initiated in October 1999, has promoted a series of exposure visits by PC members to the U.S. Congress to observe efficient legislative systems and further develop contacts with U.S. Representatives. FY 2000 and FY 2001 assistance will build on previous results and improve the PC's ability to review and draft legislation, strengthen its review of the Executive's annual budget, and encourage increased interaction between citizens and their representatives. Additional support will be provided to the PC to improve administrative and management systems.

Work has begun on a first phase of activities to support decentralized local government. Assistance is being provided to facilitate dialogue between local authorities and the central level on policy issues, develop an action plan to improve local government management, and develop mechanisms to encourage citizen participation in the local government process. In FY 2000 and FY 2001, USAID will support an improved legal environment for local government operations, clarify the roles and responsibilities of the various levels of government, support the development of an advocacy agenda among local governments, encourage the adoption of "best practices" among local governments, and support efforts to improve citizen participation.

In October 1999, USAID awarded a contract and grant to implement activities to strengthen the rule of law. In FY 2000 and FY 2001, USAID assistance will increase the capacity of the judiciary by improving court administration. Training will be provided to judges, prosecutors, and staff, and new procedures will be developed and tested. Assistance will also improve the policy framework for judicial reform, including the establishment of a judge' association and focussed technical assistance. USAID will improve legal education in all four Palestinian law schools by helping to enhance faculty development, deploy advanced information technology, and increase course offerings. USAID assistance will also support the strengthening of the legal profession by building the capacity of the Palestinian Bar Association and encouraging the adoption of Alternative Dispute Resolution methods.

Possible Adjustments to Plans/Wye Funding: In FY 2000 and FY 2001, up to $30 million in Wye Supplemental funds will be used to expand the rule of law program, including courthouse/judicial facility construction ($15 million) and support, through the U.S. Department of Justice, to improve the prosecutorial functions of the judiciary ($15 million).

Other Donor Programs: While several donors support programs in the democracy and governance area, USAID has

been a leader in the design and provision of assistance, especially in the area of civil society. The World Bank, United Kingdom, Denmark, European Union, and Australia are supporting initiatives related to legal reform and the justice sector, which complement the areas in which USAID plans to work. The European Union's program of support with the PC has been developed in coordination with USAID. The World Bank, United Nations Development Program and other donors have programs that support the development of local government entities; USAID anticipates working in related policy reform areas.

Principal Contractors, Grantees, or Agencies: USAID is implementing this activity through U.S. contractors (Associates in Rural Development, World Learning, and DPK), U.S. non-governmental organizations (primarily the International Republican Institute, Meridian International Center and AMIDEAST) and grants to local non-governmental organizations. USAID is working with the Department of State's Public Diplomacy Section on media activities.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Indexed percentage of laws/policies modified by the Palestinian Authority based on input from civil society organizations	43% (1997)	58%	59%	62%
Percentage of laws initiated by the Executive Authority that are substantively modified by the Palestinian Council	0 (1996)	90%	90%	90%
Number of citizen workshops held by local governments.	0	0	5	10
Annual Executive Authority budget is submitted to the Palestinian Council for review and approval	No (1996)	Yes	Yes	Yes
Number of lawyers trained by the Palestinian Bar Association in continuing education	0	0	120	120
Number of Palestinian law schools implementing new subjects in curricula	0 (2000)	0	1	3

NOTE: The FY 2001 obligation plan for this SO is $31,600,000 in ESF composed of $16,600,000 in FY 2001 NOA and $15,000,000 in Wye funds.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: West Bank and Gaza
TITLE AND NUMBER: Improvements in Maternal/Child Health Care Demonstrated, 294-007
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $22,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $6,150,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The most serious health problems facing mothers and children in the West Bank and Gaza derive from high fertility with short birth intervals, along with weaknesses in clinical and outreach services. Rates of premature births and low-birth weight babies are very high. Current data indicate that maternity-related complications are the third leading cause of death among Palestinian women of reproductive age. Nutritional problems among mothers and children are common, and are a contributing factor to health problems; greater than 40% of women of childbearing age have some degree of anemia. Only 50% of pregnant mothers receive adequate antenatal care and only 12% of mothers receive postpartum care. At the same time, some of the highest population growth rates in the world -- 4.1% for Gaza and 3.6% for the West Bank - pose major impediments to economic development and social stability, and mitigate the achievement of donor and Palestinian development goals. Studies suggest a strong unmet demand for modern family planning methods.

Under USAID's Special Objective 2, "Selected Development Needs Met," USAID initiated its pilot health activity by funding two U.S. PVOs in FY 1999 to upgrade clinical and outreach services in order to improve maternal/child health and increase the use of modern contraceptive methods. Research to test the effectiveness of alternate health education and service delivery approaches is also being supported. In FY 2000, USAID will begin full-scale, multi-year assistance to strengthen on-going activities as well as expand into areas which will positively impact the health of mothers and children.

Key Results: Four results are necessary for the success of this activity: (1) improvements in the health of mothers and

children; (2) effective promotion of birth spacing; (3) increased use of modern contraceptives; and (4) research findings which document the effectiveness of various health education and service delivery interventions.

Performance and Prospects: In FY 1999, USAID initiated a pilot health activity and awarded grants with a total estimated value of $3.4 million to two U.S. private voluntary organizations to implement programs in the northern and southern West Bank and in Gaza. These PVOs partnered with five Palestinian NGOs that have historically played an important role in delivering health care in their communities. USAID assistance will begin to upgrade the quality of antenatal and postpartum services for mothers and their children and make improved family planning services available at about 30 clinics. The approach taken defines the mother and the newborn as a unit for the delivery of services during the antenatal and postnatal periods, when both are most vulnerable to unfavorable health outcomes. This pilot program will test a basic model of intervention -- a standard package of services -- and several more specific health education and service delivery approaches, to determine whether they will be effective in improving health-giving practices by health providers, and health-seeking behavior by families. It is anticipated that clinic visits by pregnant women, and by mothers with their babies, will increase dramatically. Pilot activities will build upon NGO-based health care efforts already on the ground and the strong presence and good track record of Palestinian NGOs in providing community health services. In addition, local NGO programs will be strengthened with appropriate systems, clinic refurbishment, staff training, and management and logistics support.

In FY 2000 and FY 2001, USAID will expand current programs to add additional clinic sites. The expansion will also help to improve hospital maternity services. The results of operations research undertaken as part of the pilot health activity will inform this expansion. The population funds will be used to co-fund research on how best to communicate information and education on family planning, especially to young families. In addition, it will provide training to manage family planning programs in clinics, development of management information systems for the family planning program and adapting the physical layout in clinics for effecting implementing a family planning effort. The balance of ESF (not designated for population activities) will also address specific, cross-cutting health priorities that affect the health of mothers and children, among them: nutrition interventions; the use of media and other information channels to spread information about ways to promote good health; improving the use and management of pharmaceuticals. In addition, training will upgrade the skills of public health practitioners at all levels.

Possible Adjustments to Plans/Wye Supplemental Funding: Wye funds will be used to expand the pilot health program to reach more women and children as discussed above.

Other Donor Programs: Other donor governments and institutions are involved in the health sector, but their efforts tend to be directed at national health policy issues and broad-scale strengthening of the Palestinian Authority Ministry of Health. The Government of Japan and the European Union, the two largest donors in this area, primarily fund equipment and construction of health care facilities. None are working on a concerted, integrated basis on primary health care problems.

Principal Contractors, Grantees or Agencies: U.S. PVOs (The Population Council and CARE) and Palestinian NGOs have formed a partnership to implement the pilot health program. The expanded program will be implemented by a U.S. contractor, which will work with a range of U.S. and local groups. U.S. contractors and grantees with the relevant expertise will implement additional elements of the program.

Selected Performance Measures:	**Baseline**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Birth intervals of women who receive care at USAID-supported facilities.	18 months	18 mos.	20 mos.	22 mos.
Incidence of maternal anemia in women who receive care at USAID-supported facilities.	40%	40%	37%	35%
Percent of women receiving post-partum care at USAID-supported facilities.	12%	12%	15%	25%
Use of modern contraceptives by women of reproductive age receiving care at USAID-supported facilities.	34%	34%	37%	40%

NOTE: The FY 2001 obligation plan for this SO is $16,150,000 in ESF composed of $6,150,000 in FY 2001 NOA and $10 million in Wye funds.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: West Bank and Gaza
TITLE AND NUMBER: Improved Community Services, 294-008
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $70,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,644,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: The goal of this Strategic Objective is to contribute to tangible and meaningful improvements in the quality of life of Palestinian populations throughout the West Bank and Gaza. USAID and other analyses indicate that the gap between the supply and demand for basic community services and infrastructure has been growing for several years and constitutes a source of increasing disaffection and frustration among Palestinians. Major new investments are needed to upgrade and maintain basic water, health, social and municipal services in numerous villages and small to medium-sized municipalities. Further, given the current shortage of managerial capacity and financial resources within the Palestinian Authority to deal effectively with community and municipal level needs, the gap is expected to worsen before it begins to improve. Failure over the short-term to meet ordinary Palestinians' expectations of substantive improvements in their day-to-day lives could jeopardize popular support for the peace process, undermine the authority of the PA to achieve consensus, and impede broader economic and democratic development efforts. USAID resources under this SO will be used to respond to the immediate and short-term needs to expand access and improve the quality of basic community infrastructure and services in areas throughout the West Bank and Gaza. Priority is given to meeting needs in under-served and disadvantaged rural and urban communities, including refugee camps. All activities funded under this SO emphasize the importance of broad community involvement in the process of identifying, developing and implementing specific projects for funding.

Key Results: Programs funded under this SO contribute to achievement of two results: (1) improved quality of basic community services (e.g., youth counseling, support for the handicapped, public health, water, sanitation, recreation, and youth development); and (2) upgraded community infrastructure (e.g. schools, clinics, day care centers, rural roads, and markets).

Performance and Prospects: Implementation began as planned in FY 1999 with the launch of the Community and Rural Services Program. In FY 1999, USAID awarded grants with a total estimated value of $20.0 million to five U.S. private voluntary organizations (PVOs) competitively selected to implement projects in communities throughout the West Bank and Gaza. U.S. PVOs have historically played an important role in supporting Palestinian non-governmental efforts to serve their communities, and each of the U.S. PVOs participating in the Community and Rural Services Program has extensive operational experience and knowledge of social, economic, and political conditions in the West Bank and Gaza.

The first phase of the programs will directly or indirectly benefit up to 500,000 people. Activities are geographically concentrated in areas of greatest need including the north of the West Bank around Jenin, the Jordan Valley, the Hebron District, and middle and southern Gaza. During the next three years, funds will be used to: renovate and upgrade public school facilities; expand and equip community clinics; repair and improve market access roads; upgrade and increase access to electrical grids and water networks; improve community sanitation facilities and services; increase access to social services such a pre-schools and community centers; provide educational, recreational and economic opportunities for some 64,000 disadvantaged Palestinian youth (including over 5,000 disabled youth); renovate market places; develop and expand community centers and public libraries; improve road signage; upgrade existing wells; improve maintenance of public areas; improve solid waste collection and management; and develop more efficient water management practices.

A Village Services Program will begin in FY 2000 as a follow-on to the current Community and Rural Services Program, with additional funds to be provided in FY 2001. The Village Services Program will enable USAID to reach more communities that still lack many basic services. It will differ from its predecessor in that it will work in clusters of villages to encourage economies of scale and foster greater cooperation at the local level for operations and maintenance. This program will be complemented, in FY 2001, by a Municipal Services Program, which will be directed toward the infrastructure needs of larger communities and medium-sized municipalities. Infrastructure work is expected to include road rehabilitation; water, wastewater and sanitation improvements; and upgrading of schools and municipal buildings. The program will be closely coordinated with USAID/West Bank and Gaza's separate program to improve local government management under its democracy/governance SO. Recognizing that almost 50% of the population is under the age of 15, a separate Youth Services Program, to begin in FY 2000, will focus directly on the needs of this group, to provide a variety of activities to enhance the recreational, educational and training opportunities for young people.

Possible Adjustments to Plans/Wye Funding: In FY 2000 and FY 2001, the scope and benefits of activities under this SO will be enlarged significantly using Wye Supplemental funds. Activities undertaken under the former Special Objective (SPO), "Selected Development Needs Addressed," have been upgraded to the level of a strategic objective to be renamed Improved Community Services. Total additional funding for this SO will be approximately $70.0 million. During implementation, the community services (294-008), village water (294-002) and maternal and child health (294-007) programs will coordinate their planning and operations to target the same communities, i.e., towns and villages, whenever appropriate.

Other Donor Programs: The World Bank (with two projects totaling $51 million and $15 million) and the United Nation Development Program (UNDP) (with one project totaling $24 million) are the principal other donors providing direct assistance for village and municipal services and infrastructure development in the West Bank and Gaza. Many donors have selectively supported smaller public sector and NGO community development projects.

Principal Contractors, Grantees or Agencies: Five U.S. private voluntary organizations are the direct grantees under this SO at present: Catholic Relief Services (CRS), the YMCA, Cooperative Housing Foundation (CHF), Save the Children (SCF), and America Near East Relief Aid (ANERA). Each of these U.S. grantees is working in partnership with one or more Palestinian NGOs. Palestinian NGO partners include the Palestinian Agricultural Relief Committees, the Palestinian Hydrology Group, the Patients' Friends Society, the Union of Palestinian Medical Relief Committees, the General Union of Disabled Palestinians, and the Palestinian Sports Federation of the Disabled.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1999)**	**Target (2000)**	**Target (2001)**
Number of communities participating in program	0	0	100	250
Cumulative population in villages benefiting from improved services.	0	0	250,000	700,000
Number of children benefiting from public primary and secondary schools upgraded by USAID funded programs	0	0	2,000	4,000
Number of Palestinian youths participating in USAID funded counseling, recreation, and career development training.	0	0	20,000	100,000
Measures listed below include preliminary targets for the expanded program, which will be revised as individual programs are funded.	0	0	2,000	5,000
Number of handicapped youth benefiting from facilities funded by USAID grantees.	**	**	375	750

NOTE: The FY 2001 obligation plan for this SO is $40,644,000 in ESF composed of $5,644,000 in FY 2001 NOA and $35,000,000 in Wye funds.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: West Bank and Gaza
TITLE AND NUMBER: Selected Development Needs Addressed, 294-005
STATUS: Continuing
PROPOSED FY 2000 OBLIGATION AND FUNDING SOURCE: $100,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1996 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: Since 1996, this Special Objective has comprised a series of short-term activities, primarily those related to housing, strengthening of local institutions and emergency employment generation, which were initiated prior to the establishment of the USAID/West Bank and Gaza Strategy. These activities were completed by FY 1998. In late FY 1999, USAID funded two development needs under this objective: 1) community service delivery and 2) maternal-child health. In FY 2000, Strategic Objectives were established to accommodate expanded levels of programming in each of these areas. Descriptions of the community service and health activities are provided in separate activity data sheets.

In FY 2000 and FY 2001, up to $100 million may be provided under this objective to facilitate implementation of the Wye River Memorandum. Assistance will support developmental and political goals consistent with USAID and Department of State strategies with special focus on steps to facilitate movement of goods and people across borders. Activities may

include: support for people-to-people programming, funding for facilities and equipment for sea port operations, the procurement of cargo scanners to improve the flow of goods produced at the Gaza Industrial Estate, and other security equipment and storage facilities for the airport or for border crossings

Key Results: Results of people-to-people activities will be reported by the Department of State's Public Diplomacy Bureau. USAID's support for various cross-border facilities and equipment will result in improved trade. Palestinian businesses, which rely on the import of raw materials or the export of finished products, can experience long delays due to Israeli procedures that currently regulate the flow of Palestinian trade. A well-functioning Palestinian sea and airport would facilitate exports and encourage private sector-led growth, by reducing transit time, decreasing shipment costs, and creating a more favorable trade environment which will attract foreign direct investment.

Possible Adjustments to Plans/Wye Funding: None.

Other Donor Programs: The Governments of France and Holland, along with the European Investment Bank, have pledged to fund the construction of offshore infrastructure required for the Gaza Sea Port. USAID assistance may complement this assistance by providing on-shore facilities to ensure the safety and efficiency of the port, and enhance its ability to handle increased volumes of trade. Completed in 1998, the Gaza Airport operates regularly scheduled commercial flights to Jordan, Morocco, and Egypt. Additional assistance is required to further develop the commercial potential of the airport's cargo facility.

Principle Contractors, Grantees, or Agencies: Please see Community Service and Health Activity Data Sheets for data on these areas. The Department of State's Public Diplomacy Bureau will implement people-to-people activities. Funding will be transferred from USAID's operating year budget to the Department of State. U.S. contractors will supply the required services and commodities for upgrading the airport and seaport and provision of security-related infrastructure or equipment.

Selected Performance Measures: Please see Community Services and Health Activity Data Sheets for further information. For assistance to the airport and seaport, performance measures will be developed prior to initiation of assistance. The Department of State's Public Diplomacy Bureau will develop indicators for, and report on, people-to-people activities.

The FY 2001 obligation plan for this SO is $50,000,000 in ESF all composed of Wye funds.

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: West Bank/Gaza			
Title and Number: Expanded Economic Opportunities, 294-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	59,629 ESF	50,523 ESF	9,106 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	8,933 ESF	6,133 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	68,562 ESF	56,656 ESF	11,906 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	6,971 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	159,025 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	165,996 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	10,731 ESF	30,000 ESF	275,289 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

** Footnote: The Mission plans to carryover $133 M from FY 2000 to FY 2001

	U.S. Financing (In thousands of dollars)		
Program: West Bank/Gaza			
Title and Number: Greater Access to and More Effective Use of Scarce Water Resources, 294-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	169,060 ESF	101,691 ESF	67,369 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	40,618 ESF	60,714 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	209,678 ESF	162,405 ESF	47,273 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	14,293 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	90,875 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	105,168 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	60,875 ESF	112,000 ESF	487,721 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

** Footnote: The Mission plans to carryover $20 M from FY 2000 to FY 2001

	U.S. Financing (In thousands of dollars)		
Program: West Bank/Gaza			
Title and Number: More Responsive and Accountable Governance, 294-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	30,699 ESF	16,600 ESF	14,099 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	10,839 ESF	7,800 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	41,538 ESF	24,400 ESF	17,138 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	5,001 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	43,100 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	48,101 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	16,600 ESF	30,000 ESF	136,239 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

** Footnote: The Mission plans to carryover $15 M from FY 2000 to FY 2001

	U.S. Financing (In thousands of dollars)		
Program: West Bank/Gaza			
Title and Number: Improvements in Maternal/Child Health Care Demonstrated, 294-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	22,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	22,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	6,150 ESF	20,000 ESF	48,150 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

** Footnote: The Mission plans to carryover $10 M from FY 2000 to FY 2001

	U.S. Financing (In thousands of dollars)		
Program: West Bank/Gaza			
Title and Number: Improved Community Services, 294-008			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	15,000 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	15,000 ESF	0 ESF	15,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	1,210 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	70,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	71,210 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,644 ESF	30,000 ESF	121,854 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

** Footnote: The Mission plans to carryover $35 M from FY 2000 to FY 2001

	U.S. Financing (In thousands of dollars)		
Program: West Bank/Gaza			
Title and Number: Selected Development Needs Addressed, 294-005			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	4,202 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	4,202 ESF	0 ESF	4,202 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	100,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	100,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	104,202 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

** Footnote: The Mission plans to carryover $50 M from FY 2000 to FY 2001

The United States Agency for International Development

West Bank and Gaza

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds [1] [2]	85,034	74,500	485,000	100,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**85,034**	**74,500**	**485,000**	**100,000**
Operating Expenses	3,460	3,792	4,899	5,400
Trust Funds	0	0	0	0
Total Operating Costs	**3,460**	**3,792**	**4,899**	**5,400**

[1] FY 1999 excludes $500 thousand transferred via 632(a) to Department of Justice

[2] FY 2000 includes $400 million for implementation of Wye Accord

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	15	14	19	20

Other U.S. Citizen	2	2	2	2
FSN/TCN	25	27	27	27
Subtotal OE Funded	**42**	**43**	**48**	**49**
Program Funded*				
U.S. Citizen	3	6	7	7
FSN/TCN	7	14	13	13
Subtotal Program Funded	**10**	**20**	**20**	**20**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**52**	**63**	**68**	**69**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
294-001 Expanded Economic Opportunities							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	10,731	0	0	0	0	0	10,731
- P.L. 480/II	0	0	0	0	0	0	0
294-002 Greater Access to and More Effective Use of Scarce Water Resources							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	60,875		0	0	60,875
- P.L. 480/II	0	0	0	0	0	0	0
294-003 More Responsive and Accountable Governance							

- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	16,600	0	0	16,600
- P.L. 480/II	0	0	0	0	0	0	0
294-007 Improvements in Maternal/Child Health Care Demonstrated							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	6,150		0	0	0	6,150
- P.L. 480/II	0	0	0	0	0	0	0
294-008 Improved Community Services							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	5,644	0	0	0	0	5,644
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	10,731	11,794	60,875	16,600	0	0	100,000
- P.L. 480/II	0	0	0	0	0	0	0

Mission Director, Larry Garber

The United States Agency for International Development

YEMEN

Development Challenge

Other Donors

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

In May 1990, the Republic of Yemen was formed by the unification of the former North and South Yemens. Yemeni leaders then declared a democratic society with a multiparty political system, free press, and a broadening of individual freedoms. Shortly thereafter, the Gulf crisis erupted, resulting in the severing of Saudi and Kuwaiti aid and severe reductions in aid from western donors, including the United States. Still, Yemen proceeded with its remarkable democratization process, conducting a free, fair, and representative election in April 1993. However, the economic effects caused by the Gulf crisis, combined with government mismanagement, sharply heightened Yemen's economic plight and decreased its capacity to provide services to its citizens. Internal dissatisfaction resulted in political infighting and finally a two-month civil war in mid-1994. At the war's end, Yemen was once again united as a democratic nation but its economy was shattered.

Despite these problems, Yemen continued its process of democratization, taking it far beyond that attempted by any other country in the region. Now, as it prepares for yet another round of parliamentary and presidential elections, Yemen continues to have the only popularly and freely elected democratic government on the Arabian Peninsula, with freedoms of speech and the press that are unmatched anywhere else in the region. Improving Yemen's economic and political development will ultimately have a positive influence in this important region of the world, thus serving the U.S. strategic interest of maintaining stability while supporting an indigenous democratic movement to achieve sustainability.

The Development Challenge

The Republic of Yemen is the most populous country on the Arabian Peninsula. Moreover, it is one of the world's 25 poorest and least developed countries. Furthermore, Yemen has among the highest illiteracy, infant and child mortality, and population growth rates in the world. Illiteracy is particularly high among women and girls, yet these women benefit from Yemen's universal suffrage, a law unique in this region. Average life expectancy is only 53 years.

While Yemen's stature as a young democracy grows, its economy continues to decline. The effects of Yemen's population expanding at over three percent per year have resulted in a major decline in the quality of health, social, and economic services. The weak institutional capacity of Yemen's various ministries and development agencies are becoming more evident as they grapple with ever worsening problems. Since the end of the civil war, the Yemeni Government has taken a more realistic look at its economic problems and institutional weaknesses and is clearly more receptive to donor assistance in addressing these needs.

Other Donors

U.S. assistance is minor. The World Bank is by far the largest donor, followed by the Netherlands, Japan, and Germany. The Bank's chosen areas of focus are: 1). public sector management, including civil service reform, budget reform and privatization; 2). attracting diversified private investment; 3). water management; and 4). poverty-oriented social sector

improvements, particularly emphasizing basic education for girls. The latter two foci receive the overwhelming majority of donor support. All major donors recognize and reflect in their aid programs the importance of water management, health, and education (again, particularly girls' education). This leaves the World Bank almost alone in helping the government improve public sector management and create an attractive environment for private investment. In the end, however, it is public sector management that is the Bank's first priority.

The United States Agency for International Development

Yemen

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

USAID will design a coordinated development package for Yemen after ESF resources are apportioned and allocated. USAID has been working in the democracy and governance sector in Yemen and sees this as an area to be continued. USAID also would continue providing technical assistance and commodities to improve Yemen's reproductive health services, especially in the rural areas.

The World Bank has recently completed a yearlong process of consultations on Yemen's development priorities with Yemenis from all parts of society, and with donors, leading to a Country Assistance Strategy. These consultations were comprehensive in the sense that no topic was excluded from the discussions. USAID's consultations with World Bank officials indicated that the best areas of opportunity for a USAID response with very modest funding lie in the economic growth and democracy-building sectors

The Economic Support Funds proposed for Yemen for fiscal year 2001 will be implemented through existing Washington-based grant and contract mechanisms.

ACTIVITY DATA SHEET

PROGRAM: Yemen
TITLE: Broad-based Economic Growth, 279-001
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
INITIAL OBLIGATION: FY 2001 **ESTIMATED COMPLETION DATE:** FY 2003

Summary: USAID's activities in Yemen do not constitute a long-term program at this point. Rather, they consist of specific activities selected through a process of consultations with the Government of Yemen, the U.S. country team, existing donors, and potential development partners. USAID will approach the issue of broad-based economic growth from two mutually supporting directions, improving the investment and business climate and facilitating the continued growth of democracy and democratic systems which will allow a private sector to develop, grow, and sustain itself.

Specific USAID activities in these sectors will be developed after funding is assured and the proper consultations have taken place. These activities may include building financial sector capacity, improving the investment environment, and installing an integrated financial management system. Activities to promote continued progress in democracy building include activities to improve rule of law and the application of human rights throughout the country, and to foster judicial and administrative reform in both the civil and commercial sectors, nationally and regionally.

Key Results: N/A

Performance and Prospects: N/A

Possible Adjustments to Plans: N/A

Other Donor Programs: There is little or no donor activity in this area, according to the most recent World Bank assessment.

Principal Contractors, Grantees or Agencies: N/A

Selected Performance Measures: To be determined

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Yemen			
Title and Number: Broad-Based Economic Growth, 279-001			
	Obligations	**Expenditures**	**Unliquidated**
Through September 30, 1998	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 1999	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through September 30, 1999	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Unobligated Funds*	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fiscal Year 2000 NOA	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planned Fiscal Year 2000	**0 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fiscal Year 2001 NOA	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**0** ESF	**4,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

The United States Agency for International Development

Yemen

Summary Tables

Program Summary Work Force Data Program/Sector Summary

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	0	0	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	0	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	4,000
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**0**	**0**	**0**	**4,000**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0

Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	1	0	0	0
Subtotal Program Funded	**1**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**1**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
279-001 Broad-based Economic Growth							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	4,000	0	0	0	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
Totals							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	4,000	0	0	0	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0

ASIA AND NEAR EAST REGIONAL

Development Challenge

FY2001 Program / Activity & Budget Information

Summary Tables
- Program Summary
- Work Force Data
- Program/Sector Summary

Introduction

ANE regional programs are responding to crucial elements of the President's National Security Strategy and achieving important International Affairs Goals, including fostering a comprehensive peace in the Middle East; responding to the Asian financial crisis; promoting democracy, human rights, and rule of law; and addressing poverty, regional stability, and climate change issues in South Asia. Regional program resources engage a broad range of partners in implementation, including private voluntary and local non-government organizations (PVOs and NGOs), international organizations, other U.S. Government agencies, regional institutions, and other donors.

The Development Challenge

ANE sub-regions are facing greater challenges and opportunities today than at any time in the past 20 years. The major development challenges to which the United States, other key donors, and many of the nations in the region must respond include:

- encouraging and maintaining peace and security, particularly in the Middle East, but also in East and South Asia;
- fostering and restoring economic growth through free trade and investment;
- promoting democracy, human rights and rule of law, particularly in Indonesia; and
- combating problems that affect global security, stability, and economic development (such as environmental degradation, greenhouse gas emissions, HIV/AIDS, population growth and food insecurity).

Asia and Near East Regional

FY 2001 Program Description and Activity Data Sheets

FY 2001 Program

The USAID ANE regional program will support programmatic needs across the three sub-regions. It will help build capacity and commitment among Asian and Middle Eastern partners in public and private sectors to address critical development issues cooperatively. The FY 2001 program will place even stronger emphasis on encouraging institutions like the Asia-Pacific Economic Cooperation (APEC), the South Asian Association for Regional Cooperation (SAARC), the Association of Southeast Asian Nations (ASEAN), and other regional networks, to establish forums that broaden civil society participation, define and promote activities financed by ANE, and exercise stronger ownership for the agenda of development programs financed by the United States.

Ongoing ANE regional efforts in HIV/AIDS in Asia and water use in the Middle East will be continued or expanded. The HIV/AIDS regional program will continue to work closely with the United Nations Joint Program in HIV/AIDS and other key partners to stem the spread of this virulent disease across borders and in high-risk populations. The Regional Infectious Disease program will strengthen the prevention, treatment, and control of infectious diseases, such as tuberculosis and malaria, across borders and in high-risk populations. It will expand the reach of mission-funded, infectious disease activities by establishing linkages among existing country-level programs and developing new approaches that can be applied cross-border. Surveillance and reporting systems will be initiated to provide early warning of potential outbreaks, drug resistance, and control.

USAID's Accelerating Economic Recovery in Asia (AERA) initiative will continue to address the challenges of reestablishing financial and political stability in Indonesia, Philippines, Thailand, and other economies affected by the Asian financial crisis. AERA will work with a number of partner organizations to restore financial health, alleviate the suffering among vulnerable groups affected by the crisis, and strengthen civic organizations that promote democratic participation. The economic crisis in Asia stimulated countries in other sub-regions to undertake difficult economic reforms. The national governments of Egypt, Jordan, and Morocco, for example, have expressed a new willingness to tackle meaningful economic change, and have asked USAID for help. In the Middle East and North Africa, ANE regional resources will support a Maghreb trade and investment initiative to address the legal, policy and regulatory constraints to increased inter-country trade and investment.

The South Asia Regional Initiative (SARI) energy program will encourage cross-border investments in energy infrastructure promoting cleaner energy use and greater communication, transparency, and confidence-building between the region's governments and businesses. SARI/anti-trafficking and women will support efforts to strengthen the legal and regulatory frameworks to discourage the trafficking in women and children, while supporting improved economic opportunities for communities at high risk of trafficking. ANE regional resources will also support related efforts designed to discourage abusive child labor practices through improved access to basic education.

The U.S.-Asia Environmental Partnership (USAEP) will engage the strength of the U.S. Government and U.s. academic, business, and professional communities, to deal with the environmental challenges of rapid industrial and urban growth in Asia. In addition to continuing the introduction of U.S. developed technologies to Asian public and private entities, USAEP will support Middle Eastern countries' efforts to reduce air pollution and invest in cleaner fuels and technologies. Continued economic reforms and political stability in Asia will provide valuable opportunities to expand U.S. trade and investment that is environmentally and economically sustainable. USAID's highly effective water conflict resolution activity (Fostering Resolution of Water Resources Disputes) will be expanded to evaluate opportunities for addressing transnational water issues in South and East Asia, while continuing to address one of the fundamental causes of conflict (water) in the Middle East. The East Asia and Pacific Environmental Initiative (EAPEI) will help East Asian governments

further focus on key regional environmental problems while promoting regional solutions and cooperation.

Regional democracy programs will promote the strengthening of rule of law, promote the adherence to democratic practices and respect for human rights. Regional democracy funds will support the advancement of democratic processes, more open political systems, and representative and accountable government.

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: Accelerating Economic Recovery in Asia (AERA), 498-001
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $11,750,000 DA; $1,000,000 CSD; $5,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $10,000,000 DA; $1,000,000 CSD; $8,000,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2003 **Summary:** Despite recent reports of economic recovery in East Asia, most countries in the region still suffer from the effects of the Asia financial crisis. While investment capital flows look positive and inflation seems to have slowed, the countries have yet to resolve the deeply rooted systemic problems that paralyzed their economies in 1997 and 1998. For example, commercial lending to small and medium sized enterprises, the region's engine for sustained economic growth, remains paralyzed in spite of reform efforts to date. Secretary of Treasury Lawrence Summers, in his testimony before the Senate committee on Foreign Relations on November 5, alluded to this, "Economic conditions in a number of countries and regions are still fragile and near-term action on a number of fronts will be necessary to achieve a sustained and more balanced global recovery. The risk of reform fatigue is a serious one. Asian economies must push ahead with structural reforms, especially in the corporate and financial sectors, if they are to lay a durable foundation for market-led growth".

USAID's Accelerating Economic Recovery in Asia initiative has focused its five-year "relief-recovery-reform" approach initially on Indonesia, Thailand and the Philippines, but it can be extended to encompass other East Asian countries. AERA has three key objectives: (1) creating and saving jobs, (2) improving the targeting and coverage of safety nets, and (3) improving economic governance.

Key Results: The AERA program initiated activities in Indonesia and the Philippines in July 1999, and in Thailand in October, 1999.

Performance and Prospects: AERA activities are closely linked and coordinated with World Bank and Asian Development Bank crisis response efforts. The AERA program brings technical assistance and training that complement ongoing structural adjustment loans being funded by the International Monetary Fund or the multilateral development banks. This close coordination will enable the program to have a significant impact, particularly in the areas of competitiveness, economic governance, financial and corporate debt restructuring. While few results can be reported, the program is working in a number of key areas in these three countries. For example,

> 1) The program has established a center in Bangkok to advise small and medium sized businesses on debt restructuring and restarting their operations. The center began operations in early December 1999 and is now assisting more than 30 Thai businesses to diagnose and resolve their business problems. 2) AERA is funding assistance to the Bank of Thailand to help it reform and strengthen its bank supervision and on-site examination policies and procedures. 3) With AERA assistance, Indonesia and the Philippines have undertaken legislative reforms in areas such as competition law, government procurement, consumer protection, arbitration and secured transaction.

In FY 2000 and FY 2001, USAID will continue to focus on the systemic changes necessary to bring about structural reform and sustained economic growth. This year, the AERA program will continue assistance that complements bilateral USAID programs in Indonesia and the Philippines. Assistance to Thailand also will be continued.

Possible Adjustments to Plans: In FY 2000, the program will support regional analyses on competitiveness to help inform crisis recovery efforts in the three target countries and Vietnam. In addition, Vietnam will be provided some limited assistance to encourage it to undertake policies and reforms needed to become better integrated into the world economy.

Other Donor Programs: The World Bank, Asian Development Bank, International Monetary Fund and other bilateral development agencies have pledged more than $58 billion to help Indonesia, Thailand and the Philippines recover from the crisis. However, most of these resources have been in the form of cash transfers to help the countries meet foreign exchange obligations. While these resources have provided critical assistance and have supported essential policy and legal reforms, they have not delivered the necessary technical assistance and training to help the countries implement the policy changes. Thus, the AERA initiative complements other donor assistance by providing the technical expertise and training that will be essential to fully implement the reforms needed for economic recovery.

Principal Contractors, Grantees or Agencies: AERA activities are being implemented through procurement instruments with; the Kenan Institute Asia, U.S. Department of Treasury, U.S. Chamber of Commerce, U.S. National Committee for Pacific Economic Cooperation, Deloitte Touche Tomatsu, Development Alternatives International, and R. Robert Nathan. Others under consideration include American Center for International Labor Solidarity, U.S. Department of Commerce and The Asia Foundation

Selected Performance Measures:	**Baseline (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Cumulative value of debt workouts completed by the Jakarta Initiative Task Force (percentage increase in real terms)	251,262 rupiah (June 99)	0%	3%	6%
Reduction in bank non-performing loans in the Philippines (as % of total loan portfolio)	14.48%	14.18%	12.48%	TBD
Total value of credit extended to assisted small and medium-sized enterprises in Thailand		TBD	TBD	TBD
Number of key legislative and/or administrative reform measures in corporate and financial governance enacted or amended				
- Indonesia	0	2	4	6
- Philippines	0	2	7	7

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: Fostering Resolution of Water Resources Disputes (FORWARD) 498-002
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $770,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2001

Summary: In the Middle East - the driest region in the world - water demand is growing fast due to population growth, agricultural use, and increasing urbanization and industrialization. As a result, water availability is falling to crisis levels. With increasing scarcity, water conflicts among competing uses and among countries may intensify, which can lead to instability and conflict and pose serious and direct threats to U.S. national interests in the region.

In accordance with USAID's environmental goal (world's environment strengthened for long-term sustainability), the ANE Bureau's Fostering Resolution of Water Resources Disputes project (FORWARD) helps governments and key stakeholders in the Middle East to reach agreement on equitable and sustainable strategies, policies, and plans for managing scarce water resources. The absence of effective mechanisms to resolve water disputes collaboratively is a key reason for many environmental, economic, social and political problems in the Middle East. FORWARD represents a noteworthy departure from traditional water resource projects that consider water problems to be quantity or quality issues. FORWARD provides a mechanism for resolving water disputes between parties with divergent or competing interests, supporting the Middle East Peace Process and addressing other long-standing national and local domestic water issues.

Key Results: In the Middle East, FORWARD has played a vital role enabling USAID field Missions to engage directly at the highest levels of government on the most critical water policy and technical issues facing these countries. Notable achievements include costing water and wastewater services for tariff restructuring in Egypt, increased privatization and decentralization in the water sector in Jordan, improved aquifer management in Gaza, and support for reconstruction and

national reconciliation in Lebanon.

Performance and Prospects: The past year has been a time of program expansion. As it begins its fourth third year, FORWARD has active programs in Egypt, Jordan, West Bank/Gaza, Lebanon, and Morocco. FORWARD's portfolio now covers most of the major policy and technical issues facing the water sector in the Middle East, including: water pricing and tariff restructuring, watershed management, private sector participation, decentralization, stakeholder participation, aquifer management, and water quality degradation.

In Egypt, FORWARD has carried out programs to facilitate an increase in water and wastewater tariffs in Cairo, and assisted water and wastewater utilities in upper Egypt to achieve fiscal autonomy. Thus far, the project has supported preparation of new legislation, awaiting final approval by the Popular Council of Cairo, that provides a justification for an increase in the level of tariffs. FORWARD helped to reopen a long-closed dialogue between Government of Egypt agencies and USAID on this topic, and raised the level of that dialogue so that it is productive and based on technical issues. In FY 2000, FORWARD is also developing a major new program for USAID/Egypt that focuses on the reduction and phasing out of water sector subsidies and fosters financial independence of water utilities. This activity is highly sensitive politically and makes use of FORWARD's specialized collaborative planning expertise.

In Jordan, FORWARD has worked closely with the Water Authority of Jordan (WAJ) and the Jordan Valley Authority (JVA) to develop three cost/tariff models for water, wastewater, and irrigation water. These models enable the Ministry to develop and test an unlimited range of "what-if" scenarios to determine the social and economic impacts of adjustments to water prices. The models have enabled WAJ to negotiate a management contract with private sector operators who have taken over responsibility for operation of the Greater Amman water and wastewater network and the JVA to pursue their course of operations in a more businesslike manner. As a result of these successes, JVA has asked FORWARD to develop and carry out a strategic planning program that will help JVA to reassess its mandate and set new directions for the next decade in FY 2000.

In the West Bank and Gaza, FORWARD worked with the USAID mission and the Palestinian Water Authority to bring major stakeholders together to design the two largest water projects there: one focusing on stormwater management in Gaza, and the other on integrated water resources management in Hebron and Bethlehem. As a result of this successful effort, in FY 2000 and FY 2001, FORWARD will provide technical assistance and oversight for the implementation of the Coastal Aquifer Management Project.

FORWARD recently expanded its program to Lebanon and Morocco. In Lebanon, FORWARD reviewed three inter-village water disputes in the Bekaa Valley and developed dispute resolution processes that allow villagers to play a more active role in determining how water is managed in the local water supply systems. Over the coming year, FORWARD will work with targeted communities in Lebanon to strengthen collaborative planning and problem solving skills which would assist them in the design and implementation of local water conveyance systems. In Morocco, FORWARD provided assistance with the creation of a new river basin authority in southwest Morocco near Agadir. Building on this experience, in FY 2000 and FY 2001, FORWARD will work with the new basin authority to establish a water quantity/water quality database that will benefit the various stakeholders.

Possible Adjustments to Plans: The ANE Bureau is considering expanding FORWARD's activities to Asia, including assisting with development of confidence-building measures under the ANE South Asia Regional Initiative, and using FORWARD to help address significant transboundary water issues in Asia and the Middle East. Since the current FORWARD contract is scheduled to terminate on June 30, 2001, ANE is developing a follow-on FORWARD II program.

Other Donor Programs: Given the urgency of addressing the Middle East's water needs, other donors such as the World Bank, European Investment Bank, Japan, France, and Germany are providing significant levels of assistance to improve national and regional water sector development, planning and management. Support is being provided to improve and upgrade irrigation networks, rehabilitate and expand water distribution networks, and improve and expand collection, treatment, and disposal of wastewater.

FORWARD takes a different approach. Recognizing that water problems often involve legitimate disputes between parties with divergent or competing interests, FORWARD helps these parties reach agreement on important water issues through a mixture of mediation and technical support to stakeholders, and strengthens institutional capacity for collaborative problem-solving and consensus building. These efforts complement the work of other donors. For example, FORWARD is now working with the European Commission delegation in Jerusalem to resolve a longstanding issue concerning the siting of a wastewater treatment facility in Gaza.

Principal Contractors, Grantees or Agencies: The principal contractor is Development Alternatives, Inc.

Selected Performance Measures:	Baseline (1995)	Actual (1998)	Target (1999)	Target (2000)	Target (2001)
Number of agreements on track for implementation	0	5	6	7	7
Number of agreements reached	0	3	5	8	8
Number of host country institutions employing collaborative problem solving in their operations	0	1	2	3	4
Number of host country nationals serving as co-mediators	0	6	10	12	15

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: North Africa Regional Trade and Investment Initiative, 498-003*
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA; $5,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA; $4,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The U.S. has a strong strategic interest in the stability and prosperity of North Africa. Instability there could threaten many of our key allies and disrupt the flow of vital natural resources to the U.S. The goal of the North Africa Trade and Investment Initiative is to increase sustainable economic growth in the region and expand U.S. trade and investment with North Africa. The Initiative is a multi-agency effort to address the legal, policy and regulatory constraints to increasing trade and investment in North Africa. Assistance will include short-term expert consulting and workshops for public and private sector entities in North Africa-primarily Morocco, Tunisia, and Algeria (the Maghreb). The beneficiaries will be local industries and industry associations, foreign investors, and host country government institutions.

Key Results: This is a new program. The expected results are reforms in regulations, procedures and policies that improve the trade and investment climate in North Africa, and the establishment of an internet-based network to match business opportunities in North Africa with businesses in the U.S. These results should lead by the end of the activity to increased trade and investment with the U.S. and other partners (including intra-Maghreb trade). In FY 1999, USAID completed the design of the program and, using regional funds, began two activities: "investor road maps" in all three Maghreb countries which identified impediments to increasing foreign investment; and internet connections between Chambers of Commerce in the Maghreb and U.S. business through USAID's Global Technology Network.

Performance and Prospects: Activities undertaken in FY 2000 may include efforts to: simplify the procedures needed to establish new businesses; promote business associations' role as advocates for improved business conditions; improve product standards; and improve customs service and legal procedures through partnerships with U.S. government institutions. Activities in FY 2001 will likely aim at furthering the activities begun the previous year as well as include efforts to support investment-related tax reform and telecommunications sector liberalization. Results of the investor roadmaps carried out previously highlighted a growing commitment in the Maghreb to make business procedures more transparent, to eliminate excessive paperwork; and to reduce the time required to launch new businesses.

Possible Adjustments: None.

Other Donor Programs: The World Bank and European Union have large programs dedicated in part to improving conditions for trade and investment in the three Maghreb countries. The largest World Bank program will be in Morocco, where a $500 million multi-sector Policy Reform Adjustment Program and a sector-specific adjustment program--beginning with $200 million for telecommunications reform--are planned for joint World Bank and African Development Bank financing. World Bank assistance in Tunisia includes funding for foreign investment promotion, service sector liberalization, and export development. In Algeria, the World Bank is preparing studies to promote privatization. The European Union has an extensive program to improve ties with the Maghreb, through agreements that may lead to a Euro-Mediterranean Free Trade Area by the year 2010. USAID will coordinate activities with other development partners to promote favorable conditions for private sector investors and to assure that U.S. businesses are not disadvantaged.

Principal Contractors, Grantees, or Agencies: In addition to a large number of existing USAID Global Bureau

pre-qualified contractors, consultants from U.S. agencies such as Customs, Commerce, and Treasury will be utilized to provide short-term technical assistance.

Selected Performance Measures:	**Target (1999)**	**Target (2000)**	**Target (2001)**
Maghreb-US private sector business linkages developed through the Global Technology Network	7	10	12
Increase in volume of trade between U.S. and the Maghreb	12.1	15.8	19

*According to the FY 2001 Department of State Congressional Presentation, this activity is budgeted under "U.S. - North Africa Partnership."

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: Regional Development and Support (RD&S), 498-007
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $12,158,000 DA; $1,030,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $10,976,000 DA; $906,000 CSD
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** Continuing

Summary: In FY 2001, RD&S activities will support the Agency's goal areas of economic growth, population, health and nutrition, environment and energy, democracy and governance, and human capacity development. RD&S supports ANE programs, in both presence and non-presence countries, to develop and refine strategies; advise on sectoral issues; support bilateral and regional programs; analyze and identify problems and new opportunities for development assistance; and, facilitate compliance with Agency and U.S. Government regulations. RD&S resources are critical to developing and pilot testing new avenues of support that emphasize key ANE regional and sub-regional issues which in many cases become full-fledged programs. Over the past two years, for example, RD&S activities have led to major program initiatives including the Middle East and North Africa Trade and Investment Initiative, South Asia anti-trafficking, South Asia Regional Initiative in energy, and a regional infectious disease strategy. RD&S enables the U.S. to provide strategic leadership and state-of-the-art expertise to a growing number of ANE non-presence country needs as well as to respond to regional and cross-border issues.

Key Results: RD&S funds have enabled USAID to take the lead in developing new opportunities for investment and in identifying more effective ways to implement programs. Using RD&S funds, USAID developed a strategy for responding to the Asian financial crisis resulting in the start-up of the Accelerating Economic Recovery in Asia Initiative. Laying the groundwork for a proposed Middle East and North Africa Trade and Investment Initiative, RD&S funded initial activities including investor roadmaps, technical assistance and workshops. These have provided the basis for joint Economic Support Funds/Development Assistance funding of this major initiative in FY 2000. Pilot projects in health are testing both rural and urban approaches for improving safe motherhood and newborn care in Vietnam, and programs aimed at youth reproductive health in Cambodia. RD&S funding has initiated innovative activities in tuberculosis treatment and limiting the spread of multi-drug resistant malaria, and developed an ANE infectious diseases strategy. The strategy will support a regional program in infectious diseases.

Performance and Prospects: RD&S funded technical expertise has improved the quality of USAID country strategic plans and increased the integration of USAID activities with the broader scope of U.S.G. assistance provided bilaterally or regionally. RD&S funds have been invaluable to: (a) identify trends and issues that have regional implications; (b) respond to opportunities or unforeseen needs where bilateral missions are constrained by political sensitivities or limited technical capacity; and (c) provide rapid response to non-presence country and cross-border issues. The prospects remain strong for RD&S funding to add enormous value to ANE's ability to provide strategic leadership in the arenas of economic, social and political development and to Agency goal areas.

In addition to providing ongoing support for Mission and non-presence activities in Asia and the Near East, in FY 2000 and FY 2001 RD&S funds will: 1) support integration of the Internet for Economic Development Initiative, with emphasis on accelerating progress in achieving development objectives under regional efforts like the USAID Asian financial crisis response; 2) develop new trade and investment, and democracy and governance activities in South Asia to be launched

under the South Asia Regional Initiative; 3) continue efforts to address critical regional issues including global climate change and water constraints in the Middle East; 4) foster capacity building and regional cooperation in trade and investment; 5) enhance collaboration with the Japanese and identify emerging priorities in environmental programming in Asia; and 6) ensure USAID participation in regional initiatives in anti-trafficking in southeast Asia, anti-corruption in Asia and the Nile Basin Initiative. In addition, RD&S funds will provide expertise in democracy and governance to bilateral programs and State Department units in order to maximize the effectiveness of available democracy/governance funding.

Possible Adjustments to Plans: RD&S activities are short-term and determined on an annual basis. Adjustments are made on the basis of current priorities and demands.

Other Donor Programs: RD&S funded activities and expertise can serve to leverage donor investments to expand and/or complement USAID bilateral efforts, promote donor coordination between the World Bank, the Asian Development Bank, European Union, Japan International Cooperation Agency and support regional organizations such as South Asia Association for Regional Cooperation and Association of Southeast Asian Nations.

Principal Contractors, Grantees or Agencies: Key contractors or partners include the U.S. Department of Agriculture, Management Systems International, Price Waterhouse Coopers, DevTech, Academy for Education and Development, Johns Hopkins University, the University of Michigan, and the Center for International Health Information.

Selected Performance Measures:	**Baseline (1999)**	**Target (2000)**	**Target (2001)**
Effective HIV/AIDS cross-border strategies developed	1	2	N/A
Inter-country research on infectious diseases designed and implemented	3	4	N/A
Regional climate change and other environment/energy action strategies developed	1	2	4
State/USAID ANE regional democracy/governance strategies developed	0	2	3
Internet is incorporated into bilateral and regional programs	1	2	4
Regional trade and investment and energy capacity building activities designed	1	2	4

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: Asia and the Near East Regional HIV/AIDS, 498-008
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $4,000,000 CSD
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $7,000,000 CSD
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The Asia and Near East Regional HIV/AIDS program pilots and promotes best practices in preventing HIV transmission and providing care to AIDS victims and their families. The program supports bilateral programs, as well as efforts to tackle the growing dimensions of the disease that are trans-boundary in nature.

Key Results: To date, the program has implemented cross-border HIV/AIDS prevention and sexually transmitted infection (STI) treatment programs between India and Nepal, Thailand and Cambodia, Cambodia and Laos, Cambodia and Vietnam and Thailand and Burma. A model international seafarers program is being implemented in ports of the Philippines, Indonesia, Thailand and Bangladesh. Local governments and New Era, a non-governmental organization (NGO) in Nepal, collaborated to conduct behavioral and epidemiological surveillance and are using that information in policy and program development. The CASP Plan, a NGO in India, developed a community-based HIV/AIDS outreach program based on best practices developed by the program. HIV/AIDS awareness, prevention, and condom promotion activities have expanded in Laos and Vietnam, and, in Mongolia, a community-based HIV/AIDS and sexually transmitted infections (STI) prevention program was initiated.

In FY 2001, key results anticipated under this activity include: increasing the number of cross-border HIV/AIDS prevention and sexually transmitted disease (STD) treatment programs in border areas between the Philippines, Indonesia and Thailand (seafarer based activities), Laos, Cambodia and Vietnam, and, India, Nepal and Bangladesh (land based activities); increased capacity of local governments or non-governmental organizations (NGOs) to undertake behavioral

and epidemiological surveillance and to use that information in policy and program development; an increase in the number of ANE assisted Implementing Agencies adopting best practices or new HIV/AIDS services; providing technical assistance in organizational development to a community-based foundation providing HIV/AIDS and sexually transmitted infection (STI) prevention activities in Mongolia, and; the development of a national blood safety and universal precautions program in Egypt.

Performance and Prospects: Program support has financed activities at major border crossing points in USAID bilateral and non-presence countries. Specific areas of investment include: (1) information, communication and education to promote behavioral change; (2) social marketing and condom promotion; (3) training in diagnosis and appropriate management of STIs for pharmacists and doctors; (4) the production of simple, culturally appropriate multiple language pamphlets, booklets and other educational material for distribution at cross-border sites and for use by NGOs providing services to migrant populations; and (5) epidemic trend monitoring through STI and behavioral surveillance data collection in Nepal, Cambodia, Laos, and Vietnam.

Bureau funds, provided through HORIZONS, a Populations Council contractor, are being used to conduct operations research. The research is investigating interventions in Nepal that could help to prevent the trafficking of women and girls as well as interventions that could help in the care and support of returning trafficked persons. In addition, research is being done on the ways to improve the hospital environment of HIV positive persons in India and how organizations can build community identity among debt-bonded sex workers in Cambodia.

Bureau regional funds are also provided to a number of cooperating agencies that carry out activities throughout the Asia and Near east region. Funds provided through the International HIV/AIDS Alliance (IHAA), support the development and sustainability of local NGOs responding to the HIV/AIDS epidemic, either by providing specific HIV/AIDS related services or by incorporating HIV/AIDS prevention or services into their overall mandate. Funding to NGOs by IHAA is short term (up to 3 years), with NGO self-sufficiency an explicit component in collaboration. Regional funds are also utilized through Family Health International (FHI) which provides myriad functions throughout the region: technical assistance on STI treatment protocols; epidemiological data collection, analysis and dissemination; formative research assessing the efficacy of prepackaged STI treatment, pilot tuberculosis/HIV projects, and the extent of injecting drug use in India, Nepal and Vietnam, and; assessing capacity building and training needs throughout the region on topics such as HIV/AIDS voluntary testing counseling and condom promotion. Programs are developed with an emphasis on the feasibility of integrating HIV/AIDS prevention activities into reproductive health and other health programs. Beginning in 1999 regional HIV/AID funds have been provided to support the President's Anti-Trafficking Initiative. For FY 2000, ANE will provide approximately $300,000 to support anti-trafficking activities to assess, monitor and provide technical support to NGOs from India, Nepal and Bangladesh that implement, independently and collaboratively, community-based programs to prevent the trafficking of women and girls in the South Asia region.

FY 2001 resources will be used by FHI to provide AIDS education, condoms and STD treatment to truck drivers and commercial sex workers on both sides of the Nepal-India border, and to international fishermen and sailors who travel between the Philippines, Thailand, and Indonesia. FHI will also support HIV/AIDS programs through non-governmental organizations (NGOs) in Vietnam and Laos. The International HIV Alliance will strengthen local capacity of NGOs to provide HIV/AIDS services in Sri Lanka, Cambodia, Mongolia, and Morocco and support regional lessons learned.

Possible Adjustments to Plans: None.

Other Donor Programs: USAID is one of the leading donors in the area of HIV/AIDS in the Asia and Near East Region. Other key donors include: the United Nations Joint Program on HIV/AIDS (UNAIDS), the British Department for International Development (DfID), the European Commission of the European Union (EU), the United Nations Development Program (UNDP), the Japanese International Cooperating Agency (JICA), AusAID, the Ford Foundation, the German Development Bank (KfW), the World Health Organization (WHO) and the World Bank.

Principal Contractors, Grantees or Agencies: Contractors, grantees and sub-grantees providing assistance under these activities include: Family Health International (FHI), The Population Council, the International HIV/AIDS Alliance (IHAA), Denk Kestet Tena (DKT), Populations Services International (PSI), Program for Appropriate Technology (PATH), and CARE International.

Selected Performance Measures:	**Baseline (1999)**	**Target (2001)**	**Target (2004)**
Number of cross-border interventions implemented	5	10	12
Number of socially marketed condoms sold in non-presence countries (millions)	40	60	78.5

Innovative models developed and disseminated for: prevention, treatment, care and support of persons living with AIDS	0	7	9

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
United States-Asia Environmental Partnership (USAEP)
TITLE AND NUMBER: Promote an Asian Clean Environmental Revolution, 498-009
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $15,000,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $17,100,000 DA; $2,000,000 CSD
INITIAL OBLIGATION: FY 1992 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The rapid economic growth of developing Asia has proceeded with insufficient regard to the environment or health, resulting in alarming industrial and urban pollution that has seriously compromised human health, damaged the environment, and squandered natural resources. Asia has yet to install a significant proportion of the industrial and urban infrastructure that it will have early in the next century, offering a once-in-a-generation opportunity to get ahead of the investment curve before Asia installs large quantities of inefficient, polluting technologies. The purpose of this program is to promote and reinforce the introduction of a sustainable, clean growth regime in Asia by influencing the decision-makers involved in Asia's industrialization and urbanization. This is also an important economic opportunity for the United States since the program promotes the export of environmentally sound U.S. technologies and services to Asian clients. Beneficiaries of the program are the citizens of participating countries, particularly urban populations; the global environment, due to reductions in greenhouse gas emissions; and U.S. business and labor.

Key Results: A fundamental approach of USAEP is to work with partners who will multiply the work of USAEP many times over. One result is that 15 large U.S. and Asian companies have adopted programs to "green their supply chain", requiring certain standards of environmental management of their extensive network of suppliers. USAEP has also been instrumental in institutionalizing the International Standards Organization 14000 series of environmental standards in Asia: all ten USAEP target countries now have a national ISO 14000 accrediting agency and at least one national certifying agency (not counting Vietnam, where a USAEP presence was just established in 1999). USAEP is now working on the next step: to obtain international reciprocity for these new accreditation and certification agencies. As international requirements for reciprocity have not yet been defined, USAEP is on the forefront participating in their development. USAEP-assisted sales of U.S. goods and services rose a modest 1.4% from 1998 to 1999 due to the Asia financial crisis, but nonetheless advanced twice as much as the 0.65% increase in total U.S. exports to Asia.

Performance and Prospects: USAEP focuses on three activity areas: (1) promoting environmental management systems in industrial and urban sectors; (2) strengthening and expanding the incentives and public policies for environmental quality in the industrial and urban sectors; and (3) facilitating the transfer of environmental technologies. USAEP mobilizes U.S. Government agencies to partner with U.S. business and environmental communities to address Asia's environmental problems while demonstrating that resource efficiency and environmental rigor are compatible with economic growth. For example, a partnership between USAEP and the Council of State Governments (CSG) matches the regulatory and environmental experience of states with Asian needs for environmental and energy efficient technologies and services. Through this partnership, USAEP has invested more than $3.8 million in 30 projects involving 23 states and 11 Asian economies. Partners have matched these grants with more than $5.2 million, resulting in $5 million in sales and nine Memoranda of Understanding. Sixty-five U.S. companies, 110 state agencies, 30 academic institutions, and several dozen NGOs are participating in this effort. In Indonesia, USAEP helped avert serious health problems by helping more than 50 public water enterprises keep clean water flowing during the economic crisis. The cost crunch during the crisis was forcing many of Indonesia's 300 water enterprises to put untreated water through the mains before considering shutting off the supply of clean water completely. The USAEP-supported Water Efficiency Team (WET) was mobilized quickly to work with NGO's and the National Association of Water Enterprises to make rapid financial and technical audits of enterprises and help institute financial recovery programs. These programs, to be implemented with Government of Indonesia funding, will increase energy and operating efficiencies and obtain financing for improvements to increase revenues. In addition to building local capacity to make Indonesian water enterprises more self-sufficient and prosperous in the long-term, WET's recommendations are being incorporated into the World Bank's Water Supply Program Loan.

In promoting technology transfer, USAEP matches Asian buyers with U.S. sellers using its Environmental Technology

Network for Asia, a computer database of 2,700 U.S. firms which has provided over 4,700 trade leads. One measure of the impact of these leads is that USAEP has contributed to the confirmed export sales of more than $1.12 billion worth of U.S. environmental goods and services, plus numerous consulting and licensing agreements and joint ventures. Another USAEP program to promote the transfer of U.S. environmental technologies is the Environmental Technology Fund, a partnership with the National Association of State Development Agencies. Since its inception in 1992, the Fund made grants to companies in 46 states totaling about $6.2 million, generating more than $350 million in export revenues and more than 850 new U.S. jobs. The Fund provides matching grants of up to $20,000 to U.S. firms to market their environmental goods and services in Asia, usually via technology demonstrations, training, and technical assistance. The visits of American firms to Asia are often coordinated by the USAEP field representatives, who link them with Asian decision-makers. Independent research found that the grant funds, together with field representative assistance, were the reason that 90% of Fund recipients were able to make their first trip to Asia, making a significant impact on introducing U.S. environmental technologies to Asia.

The economic recovery now underway in Asia improves US-AEP prospects for increasing sales of U.S. technology and services, increasing investment in cleaner production, and fostering policy and regulatory reforms. In addition, US-AEP is finding Asian decision-makers are more receptive to improving the environmental performance of their economies in order to enhance their competitiveness and access to global markets. Current high levels of public sector and private sector interest in US-AEP's core agenda should facilitate the success of this year's projected activities. In addition, the flexibility of US-AEP will allow us to take full advantage of important opportunities that may arise on specific issues and/or countries. The business community and public sector of the countries in which US-AEP works have been primed for action by the recent World Trade Organization meeting in Seattle. US-AEP foresees making significant headway in promoting and facilitating the marriage of trade and development agendas in Asia during FY 2000, through enhanced engagement on policy issues with urban, industrial, and NGO sectors. Our programmatic strategy will increase the engagement of US-AEP and its partners in the Energy/Climatic Change sector, while continuing our core functions of promoting the use of U.S. technology and expertise in the mitigation of the many daunting environmental problems faced by countries in Asia and the Near East.

Funds requested in FY 2001 will enable the US-AEP to expand its efforts in promoting partnerships between U.S. private sector, non-governmental organizations, and state and local governments with Asian governments and institutions. This should increase Asia's access to appropriate U.S. technologies, policies, and experience and, accordingly, increase U.S. investment in the region. In addition, In FY 2001, US-AEP will provide technical assistance to improve the institutional capacity of governmental and non-governmental entities in addressing environmental issues.

Other Donor Programs: USAEP offers a new model for development promotion. Rather than donor-client relationships, USAEP fosters partnerships that will carry on beyond the reach and longevity of development agencies. Working with federal and state agencies, the private sector, professional associations, NGOs, and universities, USAEP has forged a set of partnerships mobilizing private initiative and resources. Other donors have sought USAEP advice on adopting the USAEP model. USAEP-like organizations are being adopted by other Bureaus within USAID. USAEP is a leader in setting the economic/environmental agenda for other donors in the region by working through the U.S. executive offices at the multilateral development banks and international political fora such as the Asia Pacific Economic Cooperation and the Association of South East Asian Nations. Another fundamental USAEP approach is to leverage public and private sources of funding. USAEP seeks cost sharing or complementary investments from its U.S. and Asian partners and counterparts. Grant programs with states have leveraged one to three dollars for each USAEP dollar.

Principal Contractors, Grantees or Agencies: USAEP is implemented by three major contractors (the Institute for International Education, International Resources Group, and Louis Berger International). The functions of these contractors are currently being re-bid as two contracts. USAEP also has cost-share partnership arrangements with U.S. Government agencies (the Departments of Agriculture and Commerce, Environmental Protection Agency, and Overseas Private Investment Corporation), the California Environmental Protection Agency, National Association of State Development Agencies (NASDA), Council of State Governments (CSG), various Asian and U.S. professional associations, and seven NGOs.

Selected Performance Measures:	**Baseline (1993)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Number of large companies with suppliers in Asia who adopted programs to "green their supply chain" (promote environmental management among their suppliers; cumulative)	0	9	15	22	30
Countries which have obtained international reciprocity for local ISO 14000 accreditation and certification (cumulative)	0	0	0	2	4

Confirmed, USAEP-assisted sales of U.S. environmental goods and services to Asia ($ million, cumulative)	0	1,107	1,123	1,179	1,238

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and Near East Regional
TITLE AND NUMBER: Middle East Regional Democracy Fund, 498-012
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $6,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
INITIAL OBLIGTATION: FY 1998 **ESTIMATED COMPLETION DATE:** Continuing

Summary: Preventing conflict and concern for the rights of the socially and economically disenfranchised define the U.S. interest in promoting peace, stability and prosperity throughout the Middle East. Accordingly, the purpose of the Middle East Regional Democracy Fund (MERDF) is to support the advance of democratic processes, more open political systems, and respect for human rights and the rule of law.

The countries of the Middle East are often characterized by autocratic rule, the absence of political and civil rights, cumbersome bureaucracies, corruption, and failure to deliver basic services. These factors, combined with fundamentalist Islam, pose serious challenges to the region's democratic development. However, some positive democratic momentum in the Middle East has been generated in recent years. Morocco and Yemen have demonstrated willingness to implement judicial reforms, as well as provide additional degrees of freedom to civil society organizations. While still nascent, potential openings for civil society, court reform, and legislative strengthening exist in Oman, Tunisia and Algeria.

Key results: An analysis of issues and opportunities in the Middle East indicates the likelihood of achieving positive results in three important areas:

- Commitment to the rule of law, including respect for human rights, a strong legal system, and an independent judiciary, as evidenced by improvements in the administration of justice and increased independence of judicial officials making fair decisions;
- A strong and participatory civil sector, including non-governmental organizations and the media.
- Representative and accountable government, as evidenced by more independent legislatures and improved constituency outreach.

Performance and Prospects: In its third year, MERDF has defined a core program that directs funding to Morocco, Yemen, Oman and Algeria, in areas that have been identified as most likely to generate results over a short period of time.

Field assessments have highlighted the importance of activities that focus on the rule of law, including the improvement of administrative and judicial procedures and the protection of human rights. Rule of law activities are conducted on a bilateral and regional basis, with special attention directed to Morocco, Oman and Yemen, where reformist elements exist within the judiciary. Resources will be directed to judicial training, streamlining court management, and enhancing ethical standards within the judiciary.

Other activities will support civil society organizations in their efforts to effectively aggregate citizen interests and advocate for greater transparency and accountability within government. Training will also be provided to civil society organizations that will enable them to upgrade their operational and financial management capabilities. This could include assistance in the application of financial management software, fund-raising, and organizational development tools.

Where warranted, assistance will also be provided to strengthen legislatures, support free and fair elections, and train political parties. For example, in Oman, parliamentary elections will be held in the fall of 2000. Middle East Regional Democracy Funds may be used to provide U.S. technical assistance in election administration and for limited hardware and software purchases.

Possible Adjustments to Plans: None.

Other Donor Programs: Assistance for democracy programming in the targeted countries has been limited. In Morocco, the European Union provides support to NGOs involved in human rights, women's rights, democracy and advocacy. In

Yemen, the United Nations Development Program continues to provide support for elections and parliamentary strengthening.

Principal Contractors, Grantees or Agencies: Potential U.S. partner organizations include the National Democratic Institute, the International Republican Institute, the International Foundation for Election Systems, and the American Bar Association.

Selected Performance Indicators: Yemeni judicial code of conduct completed; Algerian Parliament acts on proposals to amend the country's family law; Omani government issues royal decrees containing specific legislation on civil rights; Moroccan civil society organizations are able to advocate for greater transparency and accountability in government; greater degrees of judicial freedom to question constitutionality of laws; selected public policies changed consistent with civil society advocacy; targeted NGOs have operational financial and management systems in place.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: South Asia Democracy, 498-014*
STATUS: Continuing/New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $8,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $3,795,000 ESF*
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The South Asia Regional Democracy Fund (RDF) was created in 1998 to further the U.S. national interest of consolidating and strengthening democratic systems, respect for human rights, and the rule of law throughout South Asia. The United States has a vital interest in maintaining stability and strengthening the democratic form of government in a region where nuclear weapons have entered the stage and where political unrest could close the door to Western investment and economic development critical to improving the quality of life in one of the poorest regions of the world. South Asia, home to over one-fifth of the world's population, is becoming increasingly unstable. In addition to the India/Pakistan nuclear dimension, several countries in South Asia face armed resistance in the form of separatist movements. Democratic development is incomplete. Human rights abuses, demonstrated by the low status of women and widespread exploitation of child labor, abound in each country. Accountability is poor and corruption is high, undermining investment potential and public confidence in government institutions.

Key Results: No benchmarks have been developed for this program. ANE and the Department of State will work together in FY 2000 to develop a performance monitoring plan for this ESF-funded program. Results desired include:

- Elements of democratic systems strengthened: While elections do take place in South Asia, and the basic institutions of democracy do exist - parliaments, judiciaries, and executive agencies - these institutions are often weak and ineffective. RDF programs are oriented to address the substance of needed democratic reforms.
- Growth with equity: The low status of women, the plight of ethnic and religious minorities and the region's impoverished masses all contribute to a dangerous cynicism that threatens regional stability. Reducing the gender gap and equitable treatment of minorities are the minimum standards necessary to ensure that disillusionment does not eclipse economic and political gains.
- Confidence building: There are compelling economic and global issues that are galvanizing certain groups in the region to advocate for the difficult but necessary work of regional cooperation. While the strong emotions generated by the nuclear issue have overshadowed these nascent efforts a regional cooperation, these groups are making inroads on important but less volatile issues such as water sharing, free trade and joint ventures, anti-corruption, and cooperation in the energy sector. Supporting these efforts is an essential step toward building the basic level of confidence among nations of South Asia necessary for tackling the more incendiary issues of nuclear proliferation and ethnic/religious conflict.

Performance and Prospects: As it has since its inception, the RDF will support efforts to strengthen democratic systems throughout the region, complimenting and reinforcing bilateral activities. These efforts will focus on but are not limited to:

- Pakistan--work with the media and civil society to promote greater accountability and transparency in government.
- Sri Lanka--assist human rights and legal aid organizations in their efforts to protect and represent the victims of violent conflict.

- Bangladesh--work with the Parliament to reduce tension and clarify member of parliament roles and responsibilities.
- Nepal-- strengthen the outreach of political parties and enhance the capacity of legal officials to implement the government's ambitious decentralization agenda.

In addition, the RDF will support efforts to address human rights abuses, particularly trafficking of women and girls and child labor. Finally, the RDF will begin to explore activities that would support the Lahore peace process and Indo-Pak reconciliation.

Possible Adjustments to Plans: None.

Other Donor Programs: A number of bilateral and multi-lateral donors are engaged in human rights and democracy issues in the region. U.S.G. programs are carefully coordinated. Other major donors include: European Union, UNDP, the World Bank and Canada.

Principle Contractors, Grantees or Agencies: The Asia Foundation, Aga Khan Foundation, International Foundation for Election Systems, National Democratic Institute, International Republican Institute, other contractors and grantees to be determined.

Selected Performance Indicators: No indicators have been developed for this program. ANE and the Department of State will work together in FY 2000 to develop and implement a performance monitoring plan. Possible indicators could include: increased number of human rights violations reported to authorities in Sri Lanka; best practices in combating trafficking of women and children identified, disseminated and replicated; increased number of manufacturers participating in child labor-free labeling program.

***Note:** The Pakistan NGO Initiative (see separate Activity Data Sheet) is funded from economic support funds allocated to "South Asia Democracy" and/or "South Asia Regional" in accordance with the FY 2000 Congressional Presentation. In FY 2001, ESF for this program may be allocated from "South Asia Democracy" and/or "South Asia Regional Stability Fund".

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: East Asia and Pacific Environmental Initiative (EAPEI), 498-015
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $3,500,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $6,000,000 ESF
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The East Asia and Pacific Environmental Initiative (EAPEI) was established to continue U.S. government assistance for fire and haze preparedness and prevention and to establish broader long-term efforts focused on other key regional environmental problems in the East Asia and Pacific (EAP) region. By promoting bilateral and regional cooperation and addressing sources of regional tension, EAPEI addresses U.S. national interests in stability and economic development in Southeast Asia and supports achievement of STATE/EAP's (Bureau for East Asian and Pacific Affairs) regional environmental goals including:

- address global, regional, and national environmental challenges;
- promote sustainable development; and
- advance science and technology cooperation by working bilaterally and with regional multilateral organizations such as the Association of Southeast Asian Nations (ASEAN), Asia-Pacific Economic Cooperation (APEC), and the South Pacific Regional Environment Program (SPREP).

Through EAPEI, the U.S. is developing national and regional capacity to address the region's environmental problems by: (1) fostering better policies and improved land management practices to prevent land and forest fires; (2) helping conserve living marine resources and promoting marine environmental protection; and (3) assisting EAP countries with the development of plans to reduce emissions of greenhouse gases.

Key Results: Although this is a relatively new strategic objective, EAPEI is already achieving important results by enhancing regional fire coordination, supporting an assessment of the underlying causes and impacts of fires, and developing alternatives to slash and burn agriculture. Outstanding progress has also been made by the International Marinelife Alliance to document and combat the spread of destructive fishing practices in Southeast Asia.

Performance and Prospects: In FY 1999, EAPEI supported activities focusing on (1) forestry and land use including fire prevention and management, (2) coastal and marine resources management, and (3) climate change and environmental monitoring. The most successful activities were those that had clearly defined objectives and workplans, strong field-based management, and good relationships with in-country partners.

Program highlights include improvement in fire management and response in Indonesia. Continuing technical assistance from the U.S. Department of Agriculture Forest Service has been effective in raising the technical quality of the work of the ASEAN Haze Coordination and Support Unit and in maintaining information flows about other donors' fire suppression activities. Other forest policy activities supported under EAPEI, particularly analysis of the sources and impacts of fires and identification of alternatives to slash and burn agriculture, have proven valuable in identifying policy reform opportunities and promoting decentralization, governance, and equity objectives of the new Indonesian government.

EAPEI funding for coastal and marine management activities was only obligated at the end of FY 1999. In the climate change and environmental monitoring area, EAPEI has supported monitoring of smoke and haze from Indonesia's forest fires including health impacts, and held meetings designed to help achieve meaningful participation by developing countries in the Framework Convention on Climate Change through the development of National Climate Change Action Plans.

Possible Adjustments to Plans: The change of government in Indonesia presents an opportunity to address the underlying causes of deforestation and environmental degradation that plague the country. In FY 2000, the bulk of EAPEI funding will be directed towards programs that promote land use change and forest policy reform and build Indonesia's capacity to respond to its environmental problems.

Other Donor Programs: This initiative is being managed as a regional activity, with special attention to donor collaboration in its implementation. Cooperation is being pursued with the Asia Development Bank through their work with the ASEAN Regional Haze Action Plan and with other governments (e.g., Japan through the U.S.-Japan Common Agenda).

Principal Contractors, Grantees or Agencies: Implementing partners include a range of U.S. government agencies, including the Environmental Protection Agency, National Oceanic and Atmospheric Administration, USDA Forest Service, Department of Interior; international agricultural research centers (International Center for Research on Agroforestry and the Center for International Forestry); and U.S. non-governmental organizations (e.g., The Nature Conservancy, World Wildlife Fund, and World Resources Institute).

Selected Performance Measures:	Baseline (1999)	Target (FY 2000)	Target (FY 2001)
Implementation of forest management policies that encourage conservation and more sustainable use of tropical forest resources.	Center for International Forestry (CIFOR) initiates assessment to objectively analyze the causes and impacts of the devastating fires that occurred in Indonesia	Approaches to community forestry and reduced impact harvesting developed and disseminated	CIFOR completes report documenting situations under which Indonesia's fires occurred, and the underlying causes and impacts. Policy and technical assistance needs are identified.
Increased cooperation in fire prevention and fire fighting	ASEAN coordination and support unit strengthened to support implementation of the Regional Haze Action Plan	Fire simulation response exercises and suppression plans build fire-fighting capacity in Indonesia	New activities continue to enhance Indonesian and regional capacity to design, coordinate, and implement fire management programs.

Enactment and enforcement of policies and regulations that prevent destructive fishing and promote marine conservation and management.	Indo-Pacific Destructive Fishing Reform Initiative expanded in Southeast Asia and live reef fish trade monitoring stations established in key locations (e.g., Hong Kong)	Scientific, policy and management advice and assistance developed and disseminated to Pacific Island governments and communities to effectively control the expansion of the coral trade within the Pacific region	Development and growing adherence to codes of conduct for responsible fisheries. Development and implementation of actions plans to combat destructive fishing practices.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: East Asia Regional Democracy Fund, 498-016
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $2,250,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $5,250,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** Continuing

Summary: In recent years, the trend in the East Asia and Pacific region has been a transition from autocratic governments toward democracies and democratic institutions. However, the development has been, at best, uneven. The Regional Democracy Fund (RDF) supports the U.S. goal of increasing democracy, rule of law, and adherence to human rights.

Key Results: The RDF support projects that promote democratic institution-building in key countries in East Asia and the Pacific where the transition to democracy is in progress. Support is given to projects that:

- Create and enhance or enhance civil societies that can advocate on behalf of human rights, women's rights, workers rights, the rule of law, and freedom of the press and assembly;
- Promote regional dialogue focused on strengthening intra-regional networks of human and worker rights NGOs and on heightening the attention paid to human rights by Asian government

Performance and Prospects: Performance of this program has not been measured over the past year. In FY 2000, activities that may be funded will:

- reduce governmental restrictions on freedom of association for political parties, journalists, NGOs, and other civil society groups leading toward the establishment of more pluralistic societies;
- increase the participation of international monitors in national elections;
- provide training in rule of law for both civilian and military leaders, encouraging the reduction of military involvement in governance
- support the enactment and enforcement of laws that increase transparency at all levels of government, that protect labor rights workplace health and safety, equality in the workplace, and that encourage free trade unions and improved adherence to International Labor Organization standards.

Possible Adjustments to Plans: None.

Other Donor Programs: A number of donors are engaged in anti-trafficking and other women's empowerment programs in the region. These include: Australia, Germany, and the EU. U.S.G. programs are carefully coordinated.

Principle Contractors, Grantees or Agencies: To be determined.

Selected Performance Indicators: Performance indicators for this activity have not been developed. In FY 2001, USAID will work with the Department of State to develop a performance monitoring plan against which progress will be measured.

Indicators for the program may include:

Increased passage and implementation of laws that protect civil liberties and due process.

Increased registration of labor federations and unions.

Increased activism on the part of ASEAN human rights groups for including human rights on ASEAN member agendas.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional **TITLE AND NUMBER:** Asia and the Near East Regional Infectious Diseases, 498-029 **STATUS:** New **PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** $1,000,000 CSD **PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE:** $1,659,000 CSD **INITIAL OBLIGATION:** FY 2000 **ESTIMATED COMPLETION DATE:** FY 2006

Summary: Infectious diseases--such as pneumonia, diarrheal disease, tuberculosis, and malaria--remain a major cause of mortality in the Asia and Near East (ANE) region and a deterrent to development and economic growth. While many of these diseases also occur elsewhere in the world, some are particularly problematic in the ANE region. For example, 11 countries in Asia account for 65% of the global tuberculosis burden and three countries in Southeast Asia are battling malaria parasites that are resistant to virtually every available antimalarial drug. In addition, high levels of malnutrition and increasing HIV/AIDS prevalence rates in the region make it difficult for those affected to fight off infectious diseases. Environmental alterations such as global climate change also have the potential to create new breeding sites for insects and other vectors that contribute to the spread of diseases such as malaria, dengue, Japanese encephalitis, and leishmaniasis.

The ANE Regional Infectious Disease Program will support USAID's goal to stabilize world population and protect human health. This six-year effort will strengthen the prevention, treatment, and control of infectious diseases in Asia and the Near East, focusing initially on South and East Asia. The regional approach will expand the reach of mission-funded, infectious-disease activities by establishing linkages among existing country-level programs and developing new approaches that can be applied in the region. The program will focus primarily on non-presence countries, regional and cross-border aspects of disease surveillance, drug resistance, and control of tuberculosis and malaria.

Key Results: The ANE Regional Infectious Disease Strategy and Action Plan are expected to be completed by March 2000. Implementation is scheduled to begin by the end of calendar-year 2000. Anticipated results include:

- Improved sharing of disease-surveillance and drug-resistance data.
- Improved coordination of surveillance and activities to address the drug-resistance problem.
- Improved coordination of prevention, treatment, and control activities for malaria and tuberculosis.

Performance and Prospects: The regional program will complement on-going efforts to control infectious diseases by USAID Missions and other donors through improved data collection and sharing, and cross-border coordination in surveillance and control programs. While the USAID program will provide some additional resources and technical expertise, its major impact will be facilitating linkages among different programs and leveraging funds from other donors. For example, a deadly strain of malaria which is resistant to all but one drug (and may become resistant to that one) is found in the border areas of Cambodia, Thailand and Burma. If this strain spreads to Africa and the Americas, it would have disastrous results, as cases could not be treated. In FY 2001, the ANE regional program will fund malaria surveillance and control activities in Thailand, and coordinate with mission funded activities in Cambodia and World Health Organization programs in Burma to stop the spread of this disease.

Japanese encephalitis is spreading across northern Bangladesh, India and into Nepal. In FY 2001, the regional program will coordinate mission and host government activities in these three countries to synchronize their national surveillance activities and to develop common treatment protocols.

Possible Adjustments to Plans: None.

Other Donor Programs: The World Bank, the European Union, the Japanese International Cooperation Agency, the World Health Organization, the United Nations Children's Fund (UNICEF), the U.S. Centers for Disease Control and Prevention, the U.S. Department of Defense, and others have provided support for infectious disease activities in the region in the form of loans, bilateral aid, technical assistance, training, and commodities such as antimicrobial drugs and laboratory equipment. However, this support is not enough to meet the huge need and is often only focused bilaterally. Additional regionally focused support by USAID in the areas of coordination, technical assistance and training--in both

USAID-presence and non-presence countries--will strengthen impact.

Principle Contractors, Grantees or Agencies: These will be selected from existing Global Bureau grants and contracts with organizations such as the World Health Organization (WHO), United Nations Children's Fund (UNICEF), the Centers for Disease Control and Prevention, and Camp, Dresser and McKee.

Selected Performance Measures:	**Baseline (2000)**	**Target (2001)**
Surveillance systems strengthened and coordinated in ANE Countries	0	3
Cross border control strategies for malaria implemented	0	3
Innovative models developed and disseminated for: prevention, treatment, care and support of persons living with tuberculosis	0	1

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: South Asia Regional Initiative (SARI)/Women's and Children's Equity, 498-030*
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $1,000,000 DA; $300,000 CSD; $5,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: Despite improved employment and income opportunities for a number of people, poverty in South Asia persists and continues to impact hardest on the social, physical and pyschological well-being of the most vulnerable groups - women and children. Across South Asia, some of the more common factors that contribute to this pressure on women and children include: absolute poverty; illiteracy; low status and bargaining power; limited employment and economic opportunities; traditional and cultural norms that condone the sale or bondage of children and young women; discriminatory traditions; lack of legal protection/rights; lack of access to and relevance of basic education; social conventions, such as dowries or early marriages, that among other things remove girls from opportunities for progress; low regard for the girl child who is too often expected to forsake her education to care for siblings or enter the labor force; and lack of political will to promote and protect the universal rights of this most vulnerable segment of the population. These factors translate into a number of abuses and direct violations of women's and children's rights.

Two of the more serious problems that are gaining in international attention and that are common to all the countries in the South Asia Region are the illegal trafficking of women and children and the increasing numbers of children in the workplace and out of school. While trafficking and child labor in South Asia have certainly existed for centuries, global concern about these crimes and injustices has heightened as countries like the US realize that the criminal, social, economic and political aspects of these issues not only affect the well-being of South Asian countries, but also directly impinge on the national security objectives of the United States.

Throughout South Asia, children as young as seven years old are trafficked within their own countries and across international borders in a modern-day slave trade. While the number of trafficked women and children is difficult to determine due to its clandestine and criminal nature, the United Nations conservatively estimates that four million people globally are smuggled into foreign countries each year, generating up to $7 billion annually in illicit profits. The vast majority (over 60%) of the developing world's working children aged 5 to 14 years old live in Asia. The International Labor Organization estimates that India, Bangladesh, Pakistan and Nepal have the highest percentage of children in hazardous work.

Consistent with the U.S.G.'s interests in combating trafficking and in supporting efforts to get children out of the workplace and into school, this regional initiative will seek to increase women's and children's equity by increasing the capacities of Asian regional and national organizations to initiate and sustain more effective programs. In particular, this regional initiative will:

- Expand bilateral and regional cooperation, exchanges, and activities aimed at preventing trafficking and reducing child labor, including support for civil society advocacy efforts, piloting of new activities, and documentation and dissemination of best practices in carrying out programs.

- Support local efforts to improve the status children and women who are trafficked by improving their education levels, negotiating/bargaining power, and social and economic status.
- Assist in strengthening local NGO capacity to document and exchange information on what's working and what is not.
- Address the dearth of reliable studies on the demography of trafficking and child labor, with serious gaps in the degree to which studies provide gender desegregated data.
- Encourage other interested donors to partner in these efforts.

While this initiative includes bilateral support in specific countries, in the area of anti-trafficking, a regional mechanism also has been defined by the concerned bilateral missions. In the area of child labor, USAID expects that after an initial period of supporting country-specific activities, exchanges of experience among the bilateral missions will signal opportunities for a regional mechanism, as well. These regional mechanisms will allow USAID to more readily promote exchange of best practices across the region, as well as enable USAID to focus resources on common problems

Key Results: This program will increase the capacities of South Asian regional and national organizations to initiate and sustain more effective programs for combating trafficking and child labor. The initiative will sustain international attention on the issues of trafficking and child labor. It is evident that international scrutiny is essential to getting governments to act in accordance with international human rights standards. Programs that raise awareness about trafficking and exploitative child labor, and the underlying inequalities and violence against women prevalent in most Asian societies, will put pressures on governments to enact and enforce laws that safeguard the rights of women. Prevention programs and relevant and more accessible education programs, that emphasize the equal importance of the girl child, should help to change parental, community, teacher and employer attitudes about the importance of compulsory education.

Performance and Prospects: USAID support to combat trafficking and child labor will be carefully coordinated with other USG agencies including the Department of State and the Department of Labor. USAID's program will:

- Assist existing coalitions and networks of grass-roots, national and regional NGOs in South Asia to expand their advocacy activities, prevention efforts and training that effectively sensitize communities about the realities of trafficking and child labor;
- Help NGOs design and carry out innovative programs, expand existing effective activities, and evaluate models for effectively delivering prevention efforts (e.g. community education efforts, micro-credit, supplementary food assistance, HIV/AIDS networking); and
- Finance NGO efforts to collect and provide more reliable information and data about trafficking and child labor.

Possible Adjustments to Plans: None.

Other Donor Programs: This initiative was designed in coordination with the International Labor Office's International Program on the Elimination of Child Labor (IPEC), the World Bank, the Asian Development Bank, UNIFEM and other UN entities. While many governments in South Asia are interested in these issues, they have limited financial resources to bring to bear. NGOs are at the forefront and will be included as appropriate in project activities.

Principle Contractors, Grantees or Agencies: UNIFEM will implement a three to five year regional anti-trafficking program, complemented by bilateral Mission-funded NGO activities. The child labor component initially will be piloted in India and is expected to include grant support to UNDP which will in turn provide subgrant assistance to expand the work of leading local NGOs. U.S. PVOs such as CARE and Catholic relief Services also are likely to collaborate in this effort over the life of the initiative.

Selected Performance Indicators: No performance measures have been developed for this program. ANE and the Department of State will work together to develop and implement a performance monitoring system in FY 2000. Indicative indicators could include:

- Best practices in combating trafficking of women and children and child labor identified, disseminated and replicated;
- Timely and more reliable, gender disaggregated data on trafficking and child labor;
- Heightened public and private sector awareness; and
- Stronger coalitions and networks in the region to increase collaborative efforts to eliminate trafficking and child labor.

*In FY 2000, ESF resources for this program have been allocated from "South Asia Democracy" and/or "South Asia Regional" in accordance with the Department of State Congressional Presentation. In FY 2001, ESF resources are budgeted from resources allocated for the "Women and Children Support Fund" and/or "South Asia Regional Stability Fund."

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: South Asia Regional Initiative/Energy Program (SARI/Energy), 498-031*
STATUS: New
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $7,600,000 DA
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $20,293,000 DA; $4,000,000 ESF
INITIAL OBLIGATION: FY 2000 **ESTIMATED COMPLETION DATE:** FY 2004

Summary: The fundamental energy dynamics in the region, where India, a large and expanding market for energy, relies on poor quality domestic coal for over half of its energy needs, Sri Lanka needs to import more energy or power, Bangladesh possesses significant natural gas reserves, Nepal has enormous hydropower capacity, provide a dual opportunity to:

The South Asia Regional Initiative/Energy Program (SARI/Energy) will encourage cooperation and the eventual trade in clean energy between South Asian countries including Bangladesh, India, Nepal, and Sri Lanka that will result in both economic growth and global climate change mitigation benefits. SARI/Energy will bring together energy sector players from public and private sectors across the region to discuss and resolve issues that impede trade and investment in energy development. For example, the program will support a regional partnership among chambers of commerce in the region to advocate for energy sector reform and trade. SARI/Energy will also build capacity in target countries to use analytical tools to undertake energy, economic, and environmental analyses necessary for energy policy making and planning.

Taken together, these measures will help achieve the dual objectives of promoting sustainable development and minimizing the associated growth in greenhouse gas emissions from South Asia. Furthermore, by promoting cooperation that builds on mutual economic interest, the program can help ease political tensions in the region and build trust and confidence between countries.

Key Results: SARI/Energy will be approved in late January 2000. Activities should begin in March 2000. A results framework will be developed over the next six months. Anticipated results/outputs in FY 2000 and FY 2001 include:

- Private sector business, government technocrats and other interested parties from around the region will form regional working groups that meet to exchange ideas and analyze energy problems, resulting in enhanced mutual trust between countries and the development of solutions to remove barriers to regional energy cooperation and trade.
- Countries with clean energy sources (Bangladesh and Nepal) will have improved technical and financial capacity to make decisions on energy export.
- Greenhouse gas emissions will be reduced, particularly in India, where reliance on coal will decrease as sources of competitively priced clean fuels become available.
- Local and international private sector will benefit from more favorable policies for investment in clean fuels.
- Private sector groups, particularly indigenous organizations, will effectively champion energy sector reform and promote sustainable energy development with their financial and technical resources.

Performance and Prospects: Both the governments of South Asia and the private sector have provided a strong and positive reception to the SARI/Energy program. Representatives from both the public and private sectors agree that the time is opportune to approach energy issues of development and trade from a regional perspective, in order to benefit from shared information, knowledge and experience. By linking SARI/Energy activities with ongoing USAID bilateral activities, as well as other donor energy assistance, USAID expects the program to have a significant impact.

Possible Adjustments to Plans: Should current sanctions be lifted, USAID would seek to involve Pakistan in the regional initiative.

Other Donor Programs: The World Bank, Asian Development Bank and several bilateral donors are active in the energy sector in South Asia. However, their assistance is almost entirely focused at a bilateral level, assisting countries in areas ranging from technical assistance in regulatory and pricing issues to providing loans for upgrading and rehabilitation of domestic distribution and transmission systems. While this bilateral assistance is essential to encouraging domestic energy sector reform, it does not provide a forum for countries to discuss cross-border issues necessary to rationalize energy supply and distribution across the region. SARI/Energy is uniquely positioned to fill this gap. The SARI/Energy program will provide forums for energy sector players to discuss policy and systems harmonization necessary for trade, and promote relationships and networks that foster the trust and confidence needed in the region to make decisions on energy trade. Thus, the program complements other donors' efforts and USAID's own bilateral programs through regional mechanisms, and takes energy development a step further into trade that will have both economic growth and global climate change benefits.

Principal Contractors, Grantees or Agencies: A principal contractor will be competitively selected in FY 2000 when SARI/Energy has been approved and funded. Other expected partners will include the U.S. Energy Association, U.S. Chamber of Commerce, U.S. Department of Energy, and U.S. Trade and Development Agency.

Selected Performance Measures: The performance measures are still being developed. Preliminary measures include:

- number of institutions in each country with strengthened capacity to promote sustainable energy development.
- programs and policies in place by organizations such as environmental NGOs, professional associations, and chambers of commerce, which promote sustainable energy development.
- number of major decisions/policy positions taken by key/targeted institutions towards promoting sustainable energy development
- number of regional forums, networks, partnerships, and institutions established or strengthened for cooperation and advocacy of policy reforms.

* In FY 2000, ESF resources for this activity may be allocated from "South Asia Regional" or "South Asia Democracy" in accordance with the FY 2000 Congressional Presentation. In FY 2001, ESF for this activity will be allocated from "South Asia Energy and Environment".

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: Middle East Peace Process-Multilateral Working Groups, 498-032
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
INITIAL OBLIGATION: FY 1995 **ESTIMATED COMPLETION DATE:** Continuing

Summary: The Middle East Peace Process-Multilateral Working Groups grew out of the 1991 Madrid Peace Conference that the U.S. co-sponsored. In 1992, the multilateral participants agreed to establish five working groups to address major transnational issues of the region: 1) arms control and regional security; 2) refugees; 3) water); 4) environment; and economic development. There are 46 participating countries plus the Palestinians, and the EU and the UN in the working groups. The objective of the multilateral working groups is to promote regional cooperation through concrete, visible activities and to encourage Middle Eastern participants to think of themselves in the context of their region.

Key Results: Arms Control dialogue is taking place between Arabs and Israeli diplomats, officers, the media, and educators. Workshops have been held in the United States, Cairo, and Amman on security, military-to military dialogue and confidence building measures. Computer training at refugee vocational education facilities is being upgraded, giving trainees better employment opportunities. In the water sector, a diverse range of joint Israel-Arab neighbor activities is underway including water data collection, experimental small-scale wastewater treatment, and approaches to communicate water scarcity. Environmental information and technical resources sharing is taking place to develop sound environmental monitoring and measurement systems. Economic development activities involve regional business promotion and communication.

Twenty-two small scale joint Israeli-Palestinian activities such as workshops on Epidemiological Surveillance and Analysis and family planning and joint upgrading of university-level training in family medicine were funded and

completed.

Seven joint Israel-Arab neighbor arms control and regional security workshops were organized and more than 50 Middle Eastern officials participated. As a result of the workshops, participants agreed to establish and equip an e-mail communications network. That network now connects participating Middle Eastern countries and the State Department. A maritime safety training course was completed. Training in seismic monitoring was provided by the U.S. Geological Survey (USGS) to facilitate tension-reduction and to develop expertise in participating Arab countries.

Performance and Prospects: Many Working Group activities are ongoing and will continue in FY 2000 and beyond. Most of the activities are seminars and training programs that bring Israeli and Arab participants together to grapple with important trans-boundary issues. The following illustrates progress to date in each of the sectors.

The Refugee Working Group is focussing on job creation and vocational education. A Regional Computer Training Initiative is underway to assist the United Nations Refugee and Works Agency (UNRWA) to develop a comprehensive plan to expand and upgrade computer training in vocational centers in the region. Training for trainers was completed in the U.S. on curriculum design. The training will help UNRWA personnel teach current technology, to expand courses for women, and to prepare students for higher-paid jobs. In addition, training for refugee youth leaders was offered in the United States.

Since 1996, the U.S.G.S. led Regional Water Data Banks activity has facilitated and promoted the collection of water data. The activity aims for the adoption of standard methods of collecting and analyzing water data in the region, including the use of electronic internet communication, training in quality control and joint collection of water samples and field analysis. Since inception of the activity, the region's ability to gather, archive and process water data has been enhanced. A model wastewater treatment plant demonstration is also ongoing in the West Bank village of Taffouh. The United State Department of Agriculture (USDA) and Environmental Protection Agency (EPA) are leading this pilot community wastewater collection, treatment and reuse demonstration.

The Environmental Working Group is engaged in environmental sensitivity mapping; environmental training on land use monitoring; training in the safe use of pesticides involving Egyptian, Palestinian, Jordanian and Israeli personnel from the agriculture, education and health sectors. The training on pesticides involves the National Institutes of health at pilot sites in the West Bank/Gaza, Jordan, and Israel. Activities in Egypt focus on pesticide risk assessment. An Environmental Sensitivity Index atlas was created for the Gulf of Aqaba incorporating issues such as oil spills and cleanups/response.

In the economic sector, organizations have been established to promote private sector development, e.g., the Trilateral (United States-Jordan-Israel) Industrial Research and Development unit and the Middle East-Mediterranean Travel and Tourism Association.

Possible Adjustments: None.

Other Donor Programs: Other donors and other U.S. organizations contribute funding and expertise to address regional issues. For example, U.S. NGOs such as Search for Common Ground and Columbia and Depaul Universities sponsor meetings, studies, web sites and model agreements on regional security issues. The UN International Peace Academy has also organized arms control and security conferences for Middle Eastern countries. Many European countries and the United States through USAID have significant bilateral assistance programs in Middle Eastern countries in the water, environment, education, and economic development sectors. The work of the Multilateral Working Groups complements the bilateral assistance.

Principal Contractors, Grantees, or Agencies: Contractors are engaged to organize training activities such as the computer upgrading training and to organize workshops and conferences. Coopers and Lybrand is an example. Many activities are being implemented with assistance from technical experts from U.S. Government agencies, such as the Department of Commerce, Department of Agriculture, Geological Services, National Institute of Health, and Trade and Development Agency using MEPP funds.

Selected Performance Measures:	**Baseline (1998)**	**Actual (1998)**	**Target (1999)**	**Target (2000)**	**Target (2001)**
Joint Arab-Israeli arms control & security workshops and meetings held	4	4	7	10	15
Vocational schools implement improved computer training curriculum	0	0	0	3	5
Joint Arab-Israeli workshops and training events related to the environment completed	2	2	3	5	6

Joint Arab-Israeli activities promoting private sector cooperation organized and active	2	2	3	4	5
Progress achieved towards standardized water collection and analysis	0	0	0	20%	30%

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE: Iraq Opposition, 498-033
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $10,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $10,000,000 ESF
INITIAL OBLIGATION: FY 1998 **ESTIMATED COMPLETION DATE:** Continuing

Summary: Funds appropriated to USAID for this program will be transferred to the U.S. Department of State under a 632a Agreement for further distribution to the Iraqi National Congress. The Department of State will be responsible for the Congressional Notification on this program. The Department of State's work with the Iraqi opposition directly supports U.S. efforts to bring about regime change in Iraq. Regime change is a key U.S. policy priority. The ultimate goal is a new Iraqi governments that represents the Iraqi people, respects human rights, and is committed to living peacefully with Iraq's neighbors.

Key Results: ESF resources for regime change will be used to support the Iraqi opposition and to fund an effort to indict members of the current Iraqi regime on war crimes charges. Funds for the Iraqi National Congress, an umbrella organization of opposition groups, will be used to help them organize themselves into a more effective voice of the Iraqi people, to assist them in garnering international support, and to implement programs that will help bring about new leadership in Iraq. These programs will include information campaigns, humanitarian relief programs, and training and planning for instituting democracy following regime change.

ESF resources will also be used to support efforts aimed at indicting Iraqi war criminals. These efforts include the preparation of case files, the gathering of documentary and video evidence, and the surveying and treatment of Iraqi civilian victims of chemical and biological weapons attacks.

Performance and Prospects: The Department of State will be responsible for reporting to the Congress on performance under this activity.

Possible Adjustments to Plans: None.

Other Donor Programs: N/A.

Principal Contractors, Grantees or Agencies: Iraqi National Congress

Selected Performance Measures: None.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: East Asia Regional Women's Issues, 498-035
STATUS: New **PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE:** $2,500,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $4,000,000 ESF
INITIAL OBLIGATION: FY 2000 ESTIMATED COMPLETION DATE: Continuing

Summary: Improvements in the status of women leads to full enfranchisement of nation's citizens, higher educational levels, more skilled labor forces, and reduced population growth. All of these goals are in the U.S. national interest. The Department of State's East Asia and Pacific (EAP) Regional Women's Issues Fund focuses on advancing democracy and human rights through the advancement of women throughout the region of East Asia and Pacific.

Key Results: The three objectives of the Regional Women's Initiative Fund are to:

- Increase women's participation in the political process;
- Eliminate violence against women in all its forms; and
- Reduce the trafficking of women and children within and from the East Asian and Pacific region.

Performance and Prospects: For FY 2000, the first year of the Fund, the Department of State will co-host with the Government of the Philippines a regional initiative to reduce the trafficking of women and children through a regional meeting of 23 nations and economies and through concrete follow-on projects. These projects will focus on the prevention of trafficking, the protection of women and children who are victims of trafficking and their reintegration into society, and the prosecution of the traffickers and their collaborators. The Fund also will support region-wide programs and projects that will empower women to participate fully in democracy-building efforts and in government at all levels. These funds also will support ongoing projects to reduce violence against Asian women, particularly domestic violence, through advocacy programs to enact laws that protect women and allow such cases to be processed in the judicial system.

Possible Adjustments to Plans: None.

Other Donor Programs: A number of donors are engaged in anti-trafficking and other women's empowerment programs in the region. U.S.G. programs are carefully coordinated. Other major donors include: Australia and Japan.

Principle Contractors, Grantees or Agencies: To be determined.

Selected Performance Indicators:

No performance monitoring plan for this activity has been developed. In FY 2000, USAID and EAP will work together to develop the plan and assess performance.

Possible indicators for the program include:

National Action Plans to combating trafficking of women and children identified and implemented.

Increased number of women holding official positions

Increased passage of laws protecting women's rights.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: South Pacific Multilateral Fisheries Treaty Program II, 879-011
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: $14,000,000 ESF
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: $14,000,000 ESF
INITIAL OBLIGATION: FY 1993 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: ESF program funds payments are required under the 1987 Treaty on Fisheries between certain Pacific island states and the United States of America. The first five years of the Treaty were supported by the first South Pacific Fisheries Treaty Program (879-0011). The current (1992) Treaty implementation agreement provides for annual cash payments of $14,000,000 to the South Pacific Forum Fisheries Agency (FFA), the administrator of the Pacific island countries' interests under the Treaty. These cash payments are prerequisites for licenses to U.S. boats to harvest tuna in Treaty waters. These payments are distributed in cash to island countries participating in the Treaty for budget support or other economic purposes. A separate account is maintained for the funds while held by the FFA. U.S. interests served by the cash transfers are access for U.S. boats to renewable fishery resources estimated to be worth $200,000,000 per year and ending differences with Pacific island countries over legal status of the access. USAID will allocate the funds to the Department of State, which will provide the funds to FFA in accordance with the Treaty.

Key Results: Funds are disbursed on a timely basis to ensure that U.S. boats are able to have continued access to harvest tuna in the waters of the Pacific island nations.

Performance and Prospects: The current treaty agreement lasts until FY 2002. The successful transfer of funds in FY 2000 and 2001 will allow continued access of U.S. boats in the waters of Pacific island nations and should lead to a follow-on treaty.

Possible Adjustments to Plans: None.

Other Donor Programs: None.

Principal Contractors, Grantees or Agencies: The U.S. Department of State and the South Pacific Forum Fisheries Agency.

U.S. Finance Table (Microsoft Excel)

ACTIVITY DATA SHEET

PROGRAM: Asia and the Near East Regional
TITLE AND NUMBER: Laos Economic Acceleration Program for the Silk Sector (LEAPSS), 439-004
STATUS: Continuing
PLANNED FY 2000 OBLIGATION AND FUNDING SOURCE: -0-
PROPOSED FY 2001 OBLIGATION AND FUNDING SOURCE: -0-
INITIAL OBLIGATION: FY 1999 **ESTIMATED COMPLETION DATE:** FY 2002

Summary: LEAPSS is designed to build upon the prior development activities of the Lao American Crop Control Project. The LEAPSS program is premised on the observation that opium in the region is largely grown for food security reasons. The staple crop, rice, is planted on the mountainous hillsides of the region, but yields are insufficient to feed farmer families. Silk production has failed to reach its full potential because of a lack of adequate roads and other transport systems, weak and fragmented information dissemination programs, understaffed agricultural extension services, protectionist policies, as well as technical and institutional distortions. As a result of these failures, the production of high quality Lao silk is insufficient to meet demand and silk weavers in Vientiane must use imported silk even though they would prefer to use Lao varieties.

The goal of the LEAPSS program is to improve production of silk in Laos. Policy issues that impede the development of the Lao silk industry will be identified and addressed. The LEAPSS program will disseminate technical information that will help improve silk production to farmers in the rural areas. This will provide an opportunity for existing enterprises engaging in the production processing and marketing of silk in Laos to increase their volume and profitability. USAID will not utilize funding for Lao Government involvement.

Key Results: The objective of this activity is to: (1) strengthen institutional capacity of local and national authorities to support private silk sector activities; (2) identify and address policy issues that impede the development of the Lao silk industry at the national level; (3) build capacity for sustainable information development and dissemination that meets the needs of the Laos silk sector; and, (4) enhance the role of women in all components of the silk sector.

Performance and Prospects: Receiving Lao Government approval to work in Laos is a very slow bureaucratic process. Nevertheless, steady progress is being made. A base-line survey has been completed and a technical training curriculum is under development.

The FY 1999 appropriated funds used to implement the grant agreement with World Education, Ind. will last through FY 2001. USAID and its partners remain confident of achieving program objectives.

Possible Adjustments to Plans: None.

Other Donor Programs: None.

Principal Contractors, Grantees or Agencies: USAID implements LEAPSS activities through a grant to World Education, Inc.

Selected Performance Measures:	**Baseline (1999)**	**Actual (2000)**	**Target (2001)**	**Target (2002)**
Improved production of raw silk				
Increased volume and productivity for existing silk enterprises.				

U.S. Finance Table (Microsoft Excel)

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: Accelerating Economic Recovery in Asia (AERA), 498-001			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	14,210 DA	3,553 DA	
	9,200 CSD	2,300 CSD	
	3,141 ESF	785 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	14,210 DA	3,553 DA	10,658 DA
	9,200 CSD	2,300 CSD	6,900 CSD
	3,141 ESF	785 ESF	2,356 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	3,790 DA		
	800 CSD		
	1,216 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	11,750 DA		
	1,000 CSD		
	5,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**15,540 DA**		
	1,800 CSD		
	6,216 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**10,000 DA**	**27,750** DA	67,500 DA
	1,000 CSD	**0** CSD	12,000 CSD
	8,000 ESF	**35,143** ESF	52,500 ESF
	0 SEED	**0** SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: Fostering Resolution of Water Resources Disputes (FORWARD), 498-002			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	2,966 DA	213 DA	2,753 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	900 DA	1,708 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	3,866 DA	1,921 DA	1,945 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	770 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**770 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**1,000 DA**	**4,364** DA	**10,000** DA
	0 CSD	**0** CSD	**0** CSD
	0 ESF	**0** ESF	**0** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: North Africa Regional Trade and Investment Initiative, 498-003			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,000 DA		
	0 CSD		
	5,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,000 DA**		
	0 CSD		
	5,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**1,000 DA**	**8,000** DA	**10,000** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**11,000** ESF	**20,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: Regional Development and Support, (RD&S), 498-007			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	64,660 DA	55,179 DA	9,481 DA
	8,081 CSD	391 CSD	7,690 CSD
	6,342 ESF	2,942 ESF	3,400 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	4,174 DA	4,981 DA	
	1,554 CSD	2,828 CSD	
	175 ESF	44 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	68,834 DA	60,160 DA	8,674 DA
	9,635 CSD	3,219 CSD	6,416 CSD
	6,517 ESF	2,986 ESF	3,531 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	2,067 DA		
	784 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	12,158 DA		
	1,030 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**14,225 DA**		
	1,814 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**10,976 DA**	**13,687** DA	**107,722** DA
	906 CSD	**5,375** CSD	**17,730** CSD
	0 ESF	**0** ESF	**6,517** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: Asia and the Near East Regional HIV/AIDS, 498-008			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	3,285 DA	0 DA	3,285 DA
	5,535 CSD	1,361 CSD	4,174 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	1,643 DA	
	4,600 CSD	3,697 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	3,285 DA	1,643 DA	1,643 DA
	10,135 CSD	5,058 CSD	5,077 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	4,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	4,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	3,285 DA
	7,000 CSD	15,000 CSD	36,135 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: United States-Asia Environmental Partnership (USAEP), 498-009			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	128,447 DA	104,220 DA	24,227 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	13,964 DA	16,000 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	142,411 DA	120,220 DA	22,191 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	1,434 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	15,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**16,434 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**17,100 DA**	67,353 DA	225,000 DA
	2,000 CSD	0 CSD	2,000 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: Middle East Regional Democracy Fund, 498-012			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	3,830 ESF	2,488 ESF	1,342 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	1,750 ESF	1,109 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,580 ESF	3,597 ESF	1,984 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	750 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	6,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	6,750 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**9,270** ESF	**25,600** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: South Asia Democracy, 498-014			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,000 ESF	0 ESF	2,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	700 ESF	1,000 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	2,700 ESF	1,000 ESF	1,700 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	8,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	10,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	3,795 ESF	**11,205** ESF	**28,200** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: East Asia and Pacific Environmental Initiative, 498-015			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	425 DA	0 DA	425 DA
	0 CSD	0 CSD	0 CSD
	4,000 ESF	1,000 ESF	3,000 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	425 DA	
	0 CSD	0 CSD	
	3,975 ESF	2,444 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	425 DA	425 DA	0 DA
	0 CSD	0 CSD	0 CSD
	7,975 ESF	3,444 ESF	4,531 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	50 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	3,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	3,550 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**425** DA
	0 CSD	**0** CSD	**0** CSD
	6,000 ESF	**2,675** ESF	**20,200** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: East Asia Democracy Fund, 498-016			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	4,972 ESF	0 ESF	4,972 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	200 ESF	2,536 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	5,172 ESF	2,536 ESF	2,636 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	2,250 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	2,250 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	5,250 ESF	**7,828** ESF	**20,500** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

U.S. Financing (In thousands of dollars)			
Program: Asia and the Near East Regional			
Title and Number: Asia and the Near East Regional Infectious Diseases 498-029			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	1,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	1,000 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	0 DA	0 DA
	1,659 CSD	17,341 CSD	20,000 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: South Asia Regional Initiative (SARI)/Women's and Children's Equity, 498-030			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	1,000 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**1,000 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**1,000 DA**	**3,000** DA	**5,000** DA
	300 CSD	**2,700** CSD	**3,000** CSD
	5,000 ESF	**10,000** ESF	**15,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: South Asia Regional Initiative/Energy Program (SARI/Energy), 498-031			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	7,600 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**7,600 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**20,293 DA**	**10,007** DA	**37,900** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**11,000** ESF	**15,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

U.S. Financing (In thousands of dollars)			
Program: Asia and the Near East Regional			
Title and Number: Middle East Peace Process- Multilateral Working Groups, 498-032			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	12,487 ESF	3,765 ESF	8,722 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	2,888 ESF	5,372 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	15,375 ESF	9,137 ESF	6,238 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	1,652 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	4,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	5,652 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**4,973** ESF	**30,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: Iraq Opposition, 498-033			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	1,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	10,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	11,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	10,000 ESF	**0** ESF	**21,500** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

* FY 99 level was $3.0 M, of which $1.5 M was transferred via 632(a) to Department of State

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: East Asia Regional Women's Issues, 498-035			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	2,500 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	4,000 ESF	**3,500** ESF	**10,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Asia and the Near East Regional			
Title and Number: South Pacific Multilateral Fisheries Treaty Program, 879-011			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	84,000 ESF	84,000 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	0 DA	0 DA	
	0 CSD	0 CSD	
	14,000 ESF	14,000 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	98,000 ESF	98,000 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	14,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**0 DA**		
	0 CSD		
	14,000 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	**0** DA
	0 CSD	**0** CSD	**0** CSD
	14,000 ESF	**14,000** ESF	**140,000** ESF
	0 SEED	**0** SEED	**0** SEED
	0 FSA	**0** FSA	**0** FSA
	0 DFA	**0** DFA	**0** DFA

	U.S. Financing (In thousands of dollars)		
Program: Laos			
Title and Number: Laos Economic Acceleration Program for the Silk Sector (LEAPPS), 439-004			
	Obligations	**Expenditures**	**Unliquidated**
Through Sept	0 DA	0 DA	0 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Fiscal Year 19	1,498 DA	375 DA	
	0 CSD	0 CSD	
	0 ESF	0 ESF	
	0 SEED	0 SEED	
	0 FSA	0 FSA	
	0 DFA	0 DFA	
Through Sept	1,498 DA	375 DA	1,124 DA
	0 CSD	0 CSD	0 CSD
	0 ESF	0 ESF	0 ESF
	0 SEED	0 SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA
Prior Year Un	2 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Planned Fisca	0 DA		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
Total Planne	**2 DA**		
	0 CSD		
	0 ESF		
	0 SEED		
	0 FSA		
	0 DFA		
		Future Obligations	**Est. Total Cost**
Proposed Fis	**0 DA**	**0** DA	1,500 DA
	0 CSD	**0** CSD	0 CSD
	0 ESF	**0** ESF	0 ESF
	0 SEED	**0** SEED	0 SEED
	0 FSA	0 FSA	0 FSA
	0 DFA	0 DFA	0 DFA

The United States Agency for International Development

Asia and Near East Regional

Summary Tables

Program Summary Work Force Data Program/Sector Summary

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Program Summary Work Force Data

Program Summary

(In Thousands of Dollars)

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
Development Assistance	23,643	36,667	49,278	61,369
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	7,944	16,690	7,030	12,865
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	32,630	31,257	60,250	72,045
P.L. 480 Title II [1]	0	54,221	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**64,217**	**138,835**	**116,558**	**146,279**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

[1] in Afghanistan, North Korea and Yemen in FY 99

Work Force Data

Category	FY 1998	FY 1999	FY 2000	FY 2001

	Actual	Actual	Estimated	Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

Program/Sector Summary

(In Thousands of Dollars)

USAID Strategic and Special Objectives	Economic Growth & Agriculture	Population & Health	Environment	Democracy	Human Capacity Development	Humanitarian Assistance	TOTALS
498-001, Accelerated Economic Recovery in Asia (AERA)							
- DA	8,000	0	0	2,000	0	0	10,000
- DFA	0	0	0	0	0	0	0
- CSD	0	1,000	0	0	0	0	1,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	8,000	0	0	0	0	0	8,000
- P.L. 480/II	0	0	0	0	0	0	0
498-002, Fostering Resolution of Water Resources Disputes (FORWARD)							
- DA	0	0	1,000	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0

- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
498-003, North Africa Regional Trade and Investment Initiative							
- DA	1,000	0	0	0	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	4,000	0	0	0	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
498-007, Regional Development and Support (RD&S)							
- DA	3,405	4,000	1,171	2,400	0	0	10,976
- DFA	0	0	0	0	0	0	0
- CSD	0	906	0	0	0	0	906
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
498-008, Asia and the Near East Regional HIV/AIDS							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	7,000	0	0	0	0	7,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
498-009, United States-Asia Environmental Partnership (USAEP)							
- DA	0	0	17,100	0	0	0	17,100
- DFA	0	0	0	0	0	0	0
- CSD	0	2,000	0	0	0	0	2,000
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
498-012, Middle East Regional Democracy Fund							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0

- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	4,000	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
498-014, South Asia Democracy							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	3,795	0	0	3,795
- P.L. 480/II	0	0	0	0	0	0	0
498-015, East Asia and Pacific Environmental Initiative							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	6,000	0	0	0	6,000
- P.L. 480/II	0	0	0	0	0	0	0
498-016, East Asia Regional Democracy							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	5,250	0	0	5,250
- P.L. 480/II	0	0	0	0	0	0	0
498-029, Asia and the Near East Regional Infectious Diseases							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	1,659	0	0	0	0	1,659
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	0	0	0	0
- P.L. 480/II	0	0	0	0	0	0	0
498-030, South Asia Regional Initiative (SARI)/Women's and Children's Equity							

- DA	500	0	0	500	0	0	1,000
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	300	0	300
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	5,000	0	0	5,000
- P.L. 480/II	0	0	0	0	0	0	0
498-031, South Asia Regional Initiative/Energy Program (SARI/Energy)							
- DA	7,603	0	8,690	4,000	0	0	20,293
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	4,000	0	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
498-032, Middle East Peace Process/Multilateral Working Groups							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	4,000	0	0	0	0	0	4,000
- P.L. 480/II	0	0	0	0	0	0	0
498-033, Iraq Opposition							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	10,000	0	0	10,000
- P.L. 480/II	0	0	0	0	0	0	0
498-035, East Asia Regional Women's Issues							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	0	4,000	0	0	4,000

- P.L. 480/II	0	0	0	0	0	0	0
879-011, South Pacific Multilateral Fisheries Treaty Program							
- DA	0	0	0	0	0	0	0
- DFA	0	0	0	0	0	0	0
- CSD	0	0	0	0	0	0	0
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	0	0	14,000		0	0	14,000
- P.L. 480/II	0	0	0	0	0	0	0
TOTAL							
- DA	20,508	4,000	27,961	8,900	0	0	61,369
- DFA	0	0	0	0	0	0	0
- CSD	0	12,565	0	0	300	0	12,865
- FSA	0	0	0	0	0	0	0
- SEED	0	0	0	0	0	0	0
- ESF	16,000	0	24,000	32,045	0	0	72,045
- P.L. 480/II	0	0	0	0	0	0	0

Laos

Program Summary

(In Thousands of Dollars)

Category	**FY 1998 Actual**	**FY 1999 Actual**	**FY 2000 Estimated**	**FY 2001 Request**
Development Assistance	550	2,300	0	0
Development Fund for Africa	0	0	0	0
Child Survival & Disease Fund	250	0	0	0
Freedom Support Act Funds	0	0	0	0
SEED Act Funds	0	0	0	0
Economic Support Funds	0	0	0	0
P.L. 480 Title II	0	0	0	0
P.L 480 Title III	0	0	0	0
Total Program Funds	**800**	**2,300**	**0**	**0**
Operating Expenses	0	0	0	0
Trust Funds	0	0	0	0
Total Operating Costs	**0**	**0**	**0**	**0**

Work Force Data

Category	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Request
OE Funded*				
U.S. Direct Hire	0	0	0	0
Other U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal OE Funded	**0**	**0**	**0**	**0**
Program Funded*				
U.S. Citizen	0	0	0	0
FSN/TCN	0	0	0	0
Subtotal Program Funded	**0**	**0**	**0**	**0**
Other				
TAACS	0	0	0	0
Fellows	0	0	0	0
IDIs/NEPs	0	0	0	0
Subtotal Other	**0**	**0**	**0**	**0**
Total Work Force	**0**	**0**	**0**	**0**

* Excludes Technical Advisors for AIDs and Child Survival (TAACS), Fellows, and International Development Interns (IDIs)

ABBREVIATIONS AND ACRONYMS

A&A - Acquisitions and Accounts
AAEF - Albanian-American Enterprise Fund
AAFLI - Asian-American Free Labor Institute
AALC - African-American Labor Center
ABA - American Bar Association
ABEUSA - U.S. Participant Training Alumni Association
ACVFA - Advisory Committee on Voluntary Foreign Aid
ACOR - American Center for Oriental Research
ADB - Asian Development Bank
ADC - Andean Development Corporation
ADP - Automated Data Processing
ADRA - Adventist Development and Relief Agency
ADS - Automated Directives System
- Activity Data Sheet
AED - Academy for Educational Development
AFDB - African Development Bank
AFR - Africa
AFSI - Africa Food Security Initiative
AIDS - Acquired Immunodeficiency Syndrome
AIDSCAP - Acquired Immunodeficiency Syndrome Control and Prevention Project
AIFLD - American Institute for Free Labor Development
AIHA - American International Health Alliance
AIMI - African Integrated Malaria Initiative
ANE - Asia and Near East
AOJ - Administration of Justice
APEC - Asia-Pacific Economic Cooperation
APENN - Association of Producers and Exporters of Nontraditional Products
APO - Army Post Office
APP - Annual Performance Plan
APR - Agency Performance Plan
ARDC - Area Reintegration and Development Center
ARENTO - Arab Republic of Egypt National Telecommunication
ARI - Acute Respiratory Infection
- Inter-Oceanic Authority
ASEAN - Association of Southeast Asian Nations
ASHA - American Schools and Hospital Abroad
ASSET - Agriculturally Sustainable System and Environmental Transformation
ATI - Appropriate Technology International
AUB - American University of Beirut
AWACS - AID Worldwide Accounting and Control System

BAA - Business Area Analysis
BCN - Biodiversity Conservation Network
BDS - Business Development Service
BIPRA - Bilateral Intellectual Property Rights Agreement
BIT - Bilateral Investment Treaty

BOT - Build, Operate and Transfer

CAPEL - Center for the Promotion of Electoral Assistance
CARD - Council on Agricultural and Rural Development
CARE - Cooperative for Assistance and Relief Everywhere, Inc.
CASS - Cooperative Association of States for Scholarships
CCI - Climate Change Initiative
CDC - Centers for Disease Control and Prevention
CDIE - Center for Development Information and Evaluation
CDO - Cooperative Development Organization
CDP - Cooperative Development Program (U.S.-Israel)
CDR - Cooperative Development and Research Program (U.S.-Israel)
CEAL - Center for Studies and Legislative Assistance
CEDRO - Center for Drug Education and Information
CEE - Central and Eastern Europe
CEELI - Central and East European Law Institute
CEL - Country Experimental Laboratory
CFC - Chlorofluorocarbon
CFA - African Financial Community
CFL - Compact Florescent Lamps
CFO - Chief Financial Officer
- Chief Financial Officers Act
CG - Consultative Group
CGIAR - Consultative Group for International Agricultural Research
CIAV - Commission of Support for Verification
CIC - Community Improvement Council
CIDA - Canadian International Development Agency
CIFOR - Center for International Forestry Research
CIMS - Contract Information Management System
CINGO - Citizen Initiated Nongovernmental Organization
CLD - Consortium for Legislative Development
CLUSA - Cooperative League of the United States of America
CMA - Crescent Medical Aid
CNG - Compressed Natural Gas
CNV - Culture and Nature Visitor
CO_2 - Carbon Dioxide
CONAM - National Environmental Council
CONCAUSA - Central America-USA Alliance
COTS - Commercial off the Shelf
CP - Congressional Presentation
CPP - Comprehensive Post Partum
CPR - Contraceptive Prevalence Rate
CRM - Coastal Resource Management
CRS - Catholic Relief Services
CRSP - Collaborative Research Support Program
CS - Child Survival
CSD - Child Survival and Disease
CSE - Supreme Electoral Council
CSO - Civil Service Organization
CSM - Contraceptive Social Marketing
CTE - Carbon Ton Equivalent
CYP - Couple Year's Protection

DA - Development Assistance
DAC - Development Assistance Committee
DAF - Development Assistance Fund
DART - Disaster Assistance Response Team
DCA - Development Credit Authority

DCAA - Defense Contracting Audit Agency
DEG - Developing Economies Group
DFA - Development Fund for Africa
DG - Democracy and Governance
DH - Direct Hire
DHS - Demographic Health Survey
DIMS - Democratic Indicators Monitoring System
DMELLD - Design, Monitoring, Evaluation, Lessons Learned, and Dissemination
DNPW - Directorship of National Parks and Wildlife
DOE - Department of Energy
DOP - Declaration of Principles on Interim Self-Governing Arrangements
DOTS - Directly Observed Therapy-Short Course
DPT - Diphtheria, Pertussis and Tetanus
DWG - Democracy Working Group

EAI - Enterprises for the Americas Initiative
EBRD - European Bank for Reconstruction and Development
EC - European Community
- European Commission
ECA - Enhanced Credit Authority
ECLA - Economic Commission for Latin America
ECS - Electronic Certifying System
EE - Europe and Eurasia (formerly Europe and New Independent States)
EEP - Employee Evaluation Program
EFT - Electronic Fund Transfer
EGAD - Economic Growth and Agriculture Development
EIA - Environmental Initiative for the Americas
EIP - Environmental Impact Assessment
EMS - Environmental Management System
ENI - Europe and New Independent States (of Former Soviet Union)
ENR - Environment and Natural Resources
ENSO - El Niño Southern Oscillation
ENV - Environment
EOC - Emergency Obstetric Care
EPA - Environmental Protection Agency
EPI - Expanded Program of Immunization
EPL - Environmental Pollution Licensing
EPRA - Economic Policy Resource Center
ERP - Economic Recovery Program
ESAF - Extended Structural Adjustment Facility (International Monetary Fund)
ESF - Economic Support Fund
EU - European Union

FAAS - Foreign Affairs Administrative Services
FAH - Armed Forces of Haiti
FAI - Food Affordability Index
FAO - Food and Agriculture Organization
FAS - Foreign Agriculture Service (U.S. Dept. of Agriculture)
FCCC - Framework Convention on Climate Changes
FDA - Food and Drug Administration
FDI - Foreign Direct Investment
FFA - Future Farmers of America
FFP - Food for Peace
FGM - Female Genital Mutilation
FISE - Emergency Social Investment Fund
FM - Financial Management
FMAA - Federal Managers Financial Integrity Act of 1982
FMLN - Farabundo Marti National Liberation Front

FP - Family Planning
FREEDOM - Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 (FREEDOM Support Act)
FSA - FREEDOM Support Act
FSI - Foreign Service Institute
FSN - Foreign Service National
FSRDF - Foreign Service Retirement and Disability Fund
FTAA - Free Trade Area of the Americas
FTB - First Time Borrower
FTE - Full-time Equivalency
FTF - Farmer to Farmer Program

G-7 - Group of Seven (leading industrialized nations consisting of Canada, France, Germany, Italy, Japan, United Kingdom, and United States)
GAO - General Accounting Office
GAVI - Global Alliance for Vaccines and Immunization
GATT - General Agreement on Tariffs and Trade
GCA - Global Coalition for Africa
GCC - Global Climate Change
GDP - Gross Domestic Product
GEF - Global Environmental Facility
GEM - Global Excellence in Management
GHAI - Greater Horn of Africa Initiative
GHG - Green House Gas
GIS - Geographic Information System
GNP - Gross National Product
GMRA - Government Management Reform Act
GPA - Gender Plan of Action
GPRA - Government Performance Review Act (P.L. 103-62)
GSA - General Services Administration
GSP - General System of Preference
GTN - Global Technology Network
GTZ - Guatemala Trade Zone

HA - Hectare
- Humanitarian Assistance
HCD - Human Capacity Development
HG - Housing Guaranty
HHE - Household Effect
HiB - Hemophilus Influenza Type B
HIV - Human Immunodeficiency Virus
HMO - Health Maintenance Organization
HFTE - Hemispheric Free Trade Expansion
HQ - Headquarters

IACCC - Inter-Agency Climate Change Committee
IARC - International Agricultural Research Center
IASP - International Affairs Strategic Plan (Department of State)
IBRD - International Bank for Reconstruction and Development (World Bank)
ICASS - International Cooperative Administrative Support Services
ICITAP - International Criminal Investigation and Training Assistance Program
ICORC - International Committee for the Reconstruction of Cambodia
ICRAS - Interagency Country Risk Assessment System
ICRISAT - International Crop Research Institute for the Semi-Arid Tropics
IDA - International Development Association
- International Disaster Assistance
IDB - Inter-American Development Bank
IDP - Internally Displaced People

IEC - Information, Education and Communication
IESC - International Executive Service Corps
IFES - International Foundation for Electoral Systems
IFRC - International Federation of the Red Cross
IFI - International Financial Institute
IFOR - Implementation Force (NATO)
IG - Inspector General
IIDH - Inter-American Institute for Human Rights
IIRR - International Institute for Rural Reconstruction
ILO - International Labor Organization
IMF - International Monetary Fund
IMR - Infant Mortality Rate
INADE - National Development Institute
INC - International Narcotics Control
INDIX - International Network for Development Information Exchange
INIFOM - Institute for the Promotion of Municipalities
INRENARE - Institute for the Management of Renewable Natural Resources
INS - Immigration and Naturalization Service
IPA - Interagency Personnel Agreement
IPM - Integrated Pest Management
IPR - Intellectual Property Right
IPRF - International Planned Parenthood Federation
IQ - Intelligence Quotient
IR - Intermediate Result
IRCT - Internal Rehabilitation Council for Torture Victims
IREX - International Research and Exchanges Board
IRI - International Republican Institute
IRRI - International Rice Research Institute
ISA - Institutional Support Assistance
ISG - Institutional Support Grant
IT - Information Technology
ITSH - Internal Transport, Storage and Handling
IUATLD - International Union Against Tuberculosis and Lung Disease

JSE - Jakarta Stock Exchange
JUST - Justice Sector Support

KG - Kilogram

LAC - Latin America and the Caribbean
LAU - Lebanese American University
LDC - Less (or Least) Developed Country
LGD - Local Government Development
LGU - Local Government Union
LIFE - Leadership and Investment in Fighting the Epidemic Initiative
LMI - Lower Middle Income
LPG - Loan Portfolio Guarantee
LWOB - Lessons Without Borders

MAI - Multilateral Assistance Initiative
MCH - Maternal and Child Health
MDB - Multilateral Development Bank
MED - Ministry of Education
M&E - Monitoring and Evaluation
MENA - Middle East and North Africa
MEPU - Ministry of Pre-University Education
MERC - Middle East Regional Cooperation
MFI - Microfinance Institution

MFM - Municipal Finance and Management
MGP - Matching Grants Program
MINSA - Ministry of Health
MIS - Management Information System
MMR - Maternal Mortality Ratio
MOF - Minister of Finance
MOH - Ministry of Health
MOPH - Ministry of Public Health
MOU - Memorandum of Understanding
MSED - Micro and Small Enterprise Development
MSH - Management Sciences for Health
MT - Metric Ton
MW - Megawatt
MWDR - Mid-Western Development Region
MWI - Ministry of Water and Irrigation

NACP - National AIDS Control Program
NAFTA - North American Free Trade Agreement
NAPA - National Association of the Partners of the Americas
NAPCP - National AIDS Prevention and Control Program
NATO - North Atlantic Treaty Organization
NCBA - National Cooperative Business Association
NDI - National Democratic Institute
NDVI - Normalized Different Vegetative Index
NEA - National Electrification Administration
NEAP - National Environmental Action Plan
NED - National Endowment for Democracy
NGO - Nongovernmental Organization
NIC - Newly Industrialized Country
NIH - National Institute of Health
NIS - New Independent States of the former Soviet Union
NMS - New Management System
NPI - New Partnership Initiative
NPR - National Performance Review
NRM - Natural Resource Management
NTA - New Transatlantic Agenda
NTE - Non-Traditional Exports

OAS - Organization of American States
OB - Obstetric
OC - Oral Contraceptive
OCC - Object Class Code
ODA - Official Development Assistance
- Overseas Development Administration
OE - Operating Expense
OECD - Organization for Economic Cooperation and Development
OECF - Overseas Economic Cooperation Fund
OFDA - Office of Foreign Disaster Assistance
OFHEO - Office of Federal Housing Enterprise Oversight
OFR - Ocean Freight Reimbursement
OIC - Organization of Islamic Conference
OIG - Office of the Inspector General
OMB - Office of Management and Budget
OPDAT - Office of Professional Development and Training
OR - Operational Research
ORS - Oral Rehydration Salts
OTI - Office of Transition Initiative

PA - Palestinian Authority
PADCO - Pan American Development Corporation
PAHO - Pan American Health Organization
PAR - Policy and Administrative Reform
PARDEM - Participatory Democracy
PASA - Participating Agency Service Agreement
PCA - Panama Canal Authority
PCTC - Panama Canal Transition Commission
PCV - Peace Corps Volunteer
PHC - Primary Health Care
PHN - Population, Health and Nutrition
PIP - Parks in Peril
PL - Public Law
PLO - Palestinian Liberation Organization
PM&E - Performance Measurement and Evaluation
PNFPP - Philippines National Family Planning Program
PPC - Policy and Program Coordination Bureau (USAID)
PRET - Program for the Recovery of the Economy in Transition
PRIME - Program for Innovation in Microenterprise
PSC - Personal Service Contract
PVC - Private Voluntary Cooperation (USAID Office)
PVO - Private Voluntary Organization

R-4 - Results Review and Resource Requirement
RDA - Regional Development Account
REFORM - Reengineering Effort for Organization and Management
REGO - Reinventing Government
RH - Reproductive Health
RHUDO - Regional Housing and Urban Development Office
RIF - Reduction in Force
RIG - Regional Inspector General
ROL - Rule of Law
RRB - Ronald Reagan Building
RSM/EA - Regional Support Mission for East Asia

SADC - Southern Africa Development Community
SAI - Special Assistance Initiative
- Supreme Audit Institution
SAP - Structural Adjustment Program
SDC - Society for Democratic Culture
SEB - Small and Emerging Business
SEBI - Securities and Exchange Board of India
SEC - Securities and Exchange Commission
SEED - Support for East European Democracy
SET - Supreme Electoral Tribunal
SIECA - Permanent Secretariat of General Treaty of Central America Economic Integration
SME - Small and Medium-sized Enterprise
SO - Strategic Objective
SO_2 - Sulfur Dioxide
SOE - State-Owned Enterprise
SPA - Special Program of Assistance for Africa
- Small Program Assistance
SpO - Special Objective SPRP - Sector Policy Reform Program
SPU - Strategic Planning Unit
SSO - Strategic Support Objective
STD - Sexually Transmitted Disease
STI - Sexually Transmitted Infection
STRI - Smithsonian Tropical Research Institute

TAACS - Technical Advisors for AIDS and Child Survival
TAF - The Asia Foundation
TB - Tuberculosis
TBD - To Be Determined
TF - Trust Fund
TFR - Total Fertility Rate
TI - Transparency International
TNC - The Nature Conservancy
TR&D - Tropical Research and Development

U5MR - Under 5 Mortality Rate
UE - Urban and Environment Credit Program (formerly Housing Guaranty Program)
UN - United Nations
UNAG - National Union of Farmers and Cattle Owners
UNAIDS - United Nations Program on HIV/AIDS
UNAVEM - United Nations Verification Mission for Angola
UNDP - United Nation Development Program
UE - Urban Environment
UNESCO - United Nations Educational, Scientific and Cultural Organization
UNFCCC - United Nations Framework Convention and Climate Control
UNFPA - United Nations Population Fund
UNICEF - United Nations Children's Fund
USIJI - United States Initiative on Joint Implementation
UNMIH - United Nations Mission in Haiti
UNRWA - United Nations Relief Works Agency
UPANIC - Nicaraguan Union of Agricultural Producers
USAEP - United States-Asia Environmental Partnership Initiative
USAID - U.S. Agency for International Development
USDA - United States Department of Agriculture
USDH - United States Direct Hire
USFDA - U.S. Food and Drug Administration
USIS - United States Information Service
USTTI - United States Telecommunications Training Institute

VAT - Value Added Tax
VE - Voluntary Executive
VII - Vaccine Independence Initiative
VOA - Voice of America
VVM - Vaccine Vial Monitor

WFP - World Food Program
WHO - World Health Organization
WID - Women in Development
WIP - Women in Politics
WTO - World Trade Organization

Y2K - Year 2000